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Joint Council Recommended for EAI Negotiations

FL2706002091 Bridgetown CANA in English 2024 GMT 26 Jun 91

[Text] Bridgetown, Barbados, June 26, CANA—American and Caribbean officials have proposed a joint council on trade and investment to negotiate a trade liberalisation pact between the Caribbean Community [Caricom] and the U.S. under President Bush's Enterprise for the Americas Initiative (EAI).

A draft framework agreement following meetings between both sides June 11 and 12 documents an eight-point agenda for immediate action once the talks begin. Among the issues which would be at the top of the council's agenda is cooperation on matters concerning the current round of global trade negotiations which has been bogged down by a dispute between the U.S. and the European Community (EC) over farm subsidies.

Priority, it is proposed, would be given to identifying "measures to improve operations of the Caribbean Basin Initiative [CBI]." This, plus the overall text of the document, seem to suggest that there would be no immediate rush into free-trade reciprocity on the part of Caricom. The agreement would not prejudice pre-existing obligations of both sides under domestic law, the general agreement on tariffs and trade, and other arrangements.

The draft framework agreement on the EAI is to go to next week's Caricom Summit in St. Kitts for the approval of Community leaders. If it is accepted, the Caricom heads of government will have to name their nominees as well as a chairman of the Community's team while the Americans have indicated that their group would be led by officials of the office of the U.S. trade representative.

While the council would work at a government-to-government level, there would also be opportunities for private-sector participation, but not as an automatic right.

"The parties may seek the advice of the private sector in their respective countries on matters related to the work of the council," says the draft document, a copy of which has been obtained by the Caribbean News Agency (CANA). "Private-sector representatives may be asked to participate in council meetings whenever both parties agree it is appropriate."

President Bush has proposed a hemispheric free-trade area, encompassing North, Central, and South America, as well as the countries of the Caribbean. He recently won congressional approval for fast-track negotiations with Mexico for an agreement under which that country would join the existing free-trade arrangment between the U.S. and Canada.

The matter has commanded considerable attention in the Caribbean, most of whose exports now enter the two North American countries under one-way free-trade arrangements—the U.S. via the CBI, and Canada under Caribcan. In fact, the EAI is a major issue for discussion during the three-day annual conference of the Caribbean Association of Industry and Commerce (CAIC) which opened in Barbados on Wednesday. CAIC officials have already indicated that the framework agreement will be a major focus of the regional private sector at the Caricom Summit.

According to the document, the proposed agreement is predicated significantly on a recognition of the benefits from increased international trade and investment and the "detrimental effects of protectionism and of the measures which distort or restrict international investment flows." It also emphasises the role of the private sector as the catalyst of economic growth and job creation.

In terms of the EAI, early negotiations would hone in trade and investment issues such as entry requirements and policies which encourage, distort, or inhibit domestic or foreign private investment. The council would also deal with matters of barriers affecting agricultural and industrial products and trade in services. Discussions would also cover matters relating to intellectual property rights and their protection, as well as policy considerations dealing with technology transfer.

Cuba

Diplomat on U.S. Ties, Pan-American Games

FL2606160391 Havana Radio Reloj Network in Spanish 1408 GMT 26 Jun 91

[Text] Cuban officials in the Special Interest Section in Washington said 25 June that Cuba is willing to begin negotiations for the normalization of relations with the United States, but without conditions of any kind.

Jose Antonio Arbesu, head of Cuban representation to the United States, said that there is no reason why Cuba and the United States cannot have normal relations, even though the U.S. military base in Guantanamo and the commercial embargo are impediments.

In referring to possible talks between Cuba and the United States, Arbesu alluded to the unfulfilled North American promise of a visa agreement as another impediment to eventual talks. In a news conference, the high-level official declared: We have our own work and political system that we will continue to develop.

Arbesu categorically denied yesterday that there will be problems supplying food for the 4,500 athletes participating in the Pan-American Games.

The Cuban official said that everything is on schedule and the commissioned projects for the hemispheric event will be completed on time. He insisted that the North American press accounts of an eventual postponement of the event are not valid. Arbesu added that even though there have been problems obtaining construction materials, the efforts of Cuban workers are making the successful completion of the facilities possible.

Nicaraguan Unrest Tied to Undelivered U.S. Aid

FL2606201091 Havana Radio Rebelde Network in Spanish 1155 GMT 26 Jun 91

[Commentary by Orlando Contreras : "Our Opinion"]

[Text] Tomorrow marks one year since Nicaraguan counterrevolutionaries officially surrendered their arms to United Nations observers for Central America. After the electoral success of Mrs. Violeta Chamorro, it was believed that a stable peace could finally be reached in Nicaragua.

As you know, the United States financed, supplied, and politically directed a truly irregular army against the Sandinist Government two years after the victory of the people's rebellion against Somoza and the creation of a popularly supported government. The war, organized by Washington, in combination with the embargo and direct military aggressions, totally derailed the economy of this Central American nation.

Numerous international observers felt that in the presidential elections, a decisive percentage of voters supported the opposition headed by Mrs. Violeta Chamorro, in an urgent effort to attain peace. According to some analysts, this is what motivated a considerable number of the voters to add their support to Mrs. Violeta Chamorro, the widow of the former director of LA PRENSA, who was assassinated during the Somoza period.

These analysts believe that a Sandinist triumph would have resulted in direct intervention by the United States and more years of death, destruction, and economic chaos as a result of war. It is also important to remember that just days before the elections, a White House spokesperson, when asked if Washington would recognize the results of the elections, said that the U.S. Government reserved comment on the validity of the election until the results were known. This statement made any additional comments on the elections unnecessary.

Returning to the central theme of our commentary for today, I reiterate that tomorrow is the first anniversary of the formal, and it seems partial, disarmament of the irregular army set up by Washington in Nicaragua. But, according to Nicaraguan Government sources, more than 1,000 former contras have rearmed, this time in opposition to the Chamorro administration. According to Defense Minister General Humberto Ortega, some 300 recontras, as they are called by the Nicaraguan people, are heavily armed, and 500 more are engaged in criminal activities in northern towns and some areas of the eastern coast. At least this is what the Spanish News Agency EFE has reported. These actions do not seriously threaten the Chamorro administration at this point, but added to the acute economic crisis and the ever present political tension, it could further complicate the Nicaraguan situation.

It is also necessary to remember that the United States, which supplied, financed, and directed the war against the Sandinists, has not fulfilled even one-tenth of the extensive aid promised to Mrs. Chamorro—this failure has caused the uprising of the recontras.

COPPPAL on U.S. Embargo, Bilateral Talks

FL2606125891 Havana Tele Rebelde Network in Spanish 1100 GMT 26 Jun 91

[Text] The Permanent Conference of Latin American Political Parties [COPPPAL] has demanded the immediate end of the U.S. embargo against Cuba and the resumption of talks between the two governments based on the right to self-determination. The resolution was approved during the 16th assembly of COPPPAL, which recently concluded at Valparaiso in Chile. The meeting was attended by representatives from 24 parties and political organizations from 23 Latin American countries.

Physicians Found Guilty of Anti-Castro Plot

PA2606145891 Havana Radio Havana Cuba in Spanish 1339 GMT 26 Jun 91

[Text] The terrorist activities of Cuban physicians Julio Bienz and Julian Arana Rosain were proved during the

preliminary hearing that began yesterday at the provincial court in Havana. The public trial has now ended, except for sentencing.

The prosecutor has asked for an 18-year prison sentence for Bienz and a 10-year prison sentence for Arana Rosain. The two scientists plotted last year to blow up the Neurology and Neurosurgery Institute in Havana during a visit by President Fidel Castro. When this plan failed, they began a period of active plotting against the revolution. To this end, they recruited Armando Pintado Mitiez, who also worked at the institute as a physician and who is now facing a possible six-month probation.

During the hearing, the accused men, of well-known professional prestige, appeared regretful and repentant and pleaded guilty to the charges brought against them by the prosecutor.

Sentencing in 15 Days

PA2606174791 Madrid EFE in Spanish 1519 GMT 26 Jun 91

[Excerpt] Havana, 26 Jun (EFE)—[Passage omitted] Julian Arana, second secretary of the Communist Party [Committee] in the [Neurology and Neurosurgery] Institute, said he had accepted Bientz' proposal to perpetrate the attack and that both of them decided to discuss their plan with another doctor in the center, Waldo Suarez—who pretended to be willing to provide the weapons and explosives, but who actually reported the incident to the police.

During the trial, in which seven prosecution and defense witnesses testified, Armando Pintado and Ileana Alfaro, doctors who work at the same institute, were also indicted for the alleged crime of "enemy propaganda."

The prosecuting lawyer, who had originally requested two years for Pintado and six months for Alfaro, changed his request to six months for Pintado and an acquittal for Alfaro.

The court, presided over by Judge Teresa Delgado and made up of five magistrates, will issue a ruling within 15 days.

Castro Meets With Mexican Leader Cardenas

PA2606194791 Havana Radio Havana Cuba in Spanish 1400 GMT 23 Jun 91

[Text] Cuban President Fidel Castro and Cuauhtemoc Cardenas, president of the Mexican Party of the Democratic Revolution [PRD], held a fraternal meeting in Havana.

Cardenas, who traveled to Cuba on a brief working visit, took advantage of the opportunity to learn about the development of various socioeconomic programs in Cuba.

During the meeting, Castro and Cardenas exchanged views regarding the international situation, as seen by the Communist Party of Cuba and the PRD.

They also discussed the second meeting of the Sao Paulo Forum, which was held in Mexico City 12-15 June.

Malmierca Meets With Tanzania's Nyerere

FL2706010591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 Jun 91

[Text] South Commission President Julius Nyerere arrived in our country today. The Tanzanian leader was met upon his arrival at Jose Marti International Airport by Foreign Minister Isidoro Malmierca. Nyerere, who will be in Cuba for two days, has toured various Latin American countries, including Chile, Argentina, Brazil, and Venezuela. In his meetings with presidents in the region, he presented the report "Challenge for the South" on our continent.

The South Commission, headed by Julius Nyerere, has held various conferences and meetings at which solutions have been proposed for the problems that are overwhelming Third World countries. Based on a variety of views, the group presented a final report in Caracas at the beginning of August 1990 in the form of a book entitled "Challenge for the South," which among other issues upholds the need to join together vis-a-vis the rich and powerful North.

This group, made up of 28 prominent figures from North America, Asia, Africa, and Latin America, has also proposed holding a special meeting on foreign debt. The eighth meeting of the Commission was held in Havana in July 1990 and later completed its work in Arusha, Tanzania. The ideas set forth in "Challenge for the South" offer possibilities for the development and well-being of Third World nations.

Tabare Vazquez, Pedro Chavez Sign Intent Accord

FL2606125091 Havana Tele Rebelde Network in Spanish 1100 GMT 26 Jun 91

[Text] Tabare Vazquez, the mayor of Montevideo, has departed Cuba after a friendly five-day visit. Prior to his departure, Vazquez and Pedro Chavez, president of the Provincial Assembly of the People's Government of the City of Havana, signed a five-year intent accord for bilateral cooperation on several issues of interest to both capital cities. Both leaders expressed their conviction that the agreement will further strengthen the ties of friendship between the two countries.

[Begin Vazquez recording] Together we can cooperate, we can share, we can stimulate the struggle of our governments to improve the living conditions of our people. Today we depart Cuba with a profound and mixed feeling of happiness and sadness because we would like to stay longer and share your life and experience. For us, the legend has, sincerely, turned into reality. We saw how the Cuban people are, how they

work, how they fight. We saw the dignity of people who pursue their destiny. Our respect and affection has increased infinitely. [end recording]

Technology Used for Nuclear Plant Defended

PA2606134391 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Jun 91

["What the Foreign Press Has To Say" feature, read by Lazaro Fernandez]

[Text] Florida Senator Connie Mack seems zealous in his efforts to prevent Cuba from putting into operation the Juragua nuclear power plant in the island's central region because, according to him, this plant has serious flaws that could represent a threat to the lives of the people of Florida and millions of other North Americans. His statements were reported by the NBC television network. This report has suspiciously coincided with other reports on the same subject from members of counterrevolutionary groups in Florida and Cuban defectors who are awaiting U.S. permission to live in the United States.

At the root of this clutter is an assertion by an alleged Cuban nuclear scientist, actually an engineering trainee who graduated in 1988, and who, at the conclusion of his training period in the Juraguan Plant, decided to defect during a trip abroad. All of this has served as the basis for a lengthy report by Jorge Petinau Martinez, exclusive for PRENSA LATINA, that has been published by various newspapers on this continent.

The article states: U.S. experts do not lend credence to the doubts shed on the quality of the technology used at the plant. (VEB) reactors have been in operation in the Soviet Union, Czechoslovakia, Bulgaria, Germany, Hungary, and Finland since 1964 without an accident.

The article notes that the reactor model that will operate in Cienfuegos, the (VFP)-440, of the (V)-138 type, includes safety systems that have been improved with electronic monitoring and independent hand signaling, and the reactors' concrete and steel shielding system is similar to that of the Finnish Lovisa nuclear plant, one of the safest plants in the world. The article adds that based on the law and international norms, all important steps to be performed during the laying of the foundation, construction, the start of operation, and a definite shutdown, must pass a permit process.

There is strict control at the plant, as well as strict plant entry controls. There are rigorous laboratory tests that guarantee the quality of equipment and the material being used, Jorge Petinau reports. He also notes that plant personnel have been carefully selected and that Cuba had more than 1,000 professionals trained in Soviet, Czechoslovak, Hungarian, and German universities, as well as in Cuban universities.

Since 1981, 1,000 persons have received training in the USSR, Czechoslovakia, Bulgaria, Poland, Hungary, Germany, and Spain for six-month periods. In addition, Cuba has participated in training courses provided by international atomic energy organizations in European and Latin American countries. These are facts, Jorge Petinau reports.

He notes: If the senator from Florida or the U.S. Government wants further information, they do not have to resort to unjustified public statements or to demands that are suspiciously similar to those that have been made by pawns of Washington. When those demands were first made, there was talk that a competent U.S. citizen should be allowed to inspect the nuclear plant to secure information on it, and this is what is being said again now.

Now, as earlier, the reporter notes that it is necessary to remind the ultrarightist Florida gentleman that in the United States there are men such as (William Vernesson), a Department of Energy expert; William Lee, president of the World Association of Nuclear Operators; (Harold Bentum), director of the Government and Public Affairs Office of the Nuclear Energy Regulating Commission; and Tony Owen, director of the Catawba Nuclear Plant. They have praised the quality of the technology and the materiel that has been used, and the personnel working in Juragua.

During the visit of Lee, Owen, and (Bentum) to that area of Cienfuegos, in Central Cuba, in 1989, (Bentum) said: I have seen many reactor projects and I believe that the planning, organization, and rigorous security measures of the nuclear security authorities in Cuba, as well as their regulations and inspection systems, are adequate in every respect.

Jorge Petinau's article notes: Cuba has nothing to hide and it has publicly and repeatedly said that it is prepared to exchange information on the Juragua project with any neighboring country on a basis of strict reciprocity.

The truth is, the article notes, that Washington is concerned about the favorable energy options that putting the nuclear electrical plant into operation within the next five years will present to Cuba. Each reactor will allow Cuba to save 600,000 tons of fuel annually. The White House is obsessed with stopping this work and other work that is important to Cuba's economy, and to achieve its purpose it is resorting to spy hunters [cazadores de espias] and to furious anti-Cuban senators willing to make somber connections to become as famous as any Hollywood star.

This is how the article by Jorge Petinau Martinez concludes.

Nuclear Power Plant Safety Measures Discussed

PA2606142191 Havana Radio Havana Cuba in Spanish 0112 GMT 25 Jun 91

[Text] For operational safety, plans for Units 1 and 2 of the Cuban nuclear power plant have incorporated advanced techniques contained in the latest generation of technical documents on safety standards that have been issued by the Soviet manufacturers since 1987.

In addition, the plans incorporate a series of requirements established by the International Atomic Energy Organization on fundamental concepts.

Undoubtedly, an important factor is the plant's design, but there are others, such as the training of personnel, the system of supervision over the safety of nuclear installations, maintenance services, and others, which in the case of the Cuban nuclear plant, have been taken into account according to the best practices in the field. Therefore, when the island's draft plans are compared with others around the world, it is more advanced and up-to-date.

We have more details for you by Engineer Pedro (Abigantus) Leon, nuclear safety chief for the investment group of the Cuban nuclear plant:

[Begin Leon recording] How have we been able to update our project? It is well known to all that in every country in the world, the construction of a nuclear plant is a long process. At least, when compared to other industries, this process may last six, seven, eight, or nine years. It has been the norm in the past to continuously and intensely upgrade such requirements, especially in light of the accidents at Three Mile Island in the United States in 1979 and the Chernobyl accident, important events that have led to advancements in the safety standards at nuclear installations.

Currently we are already implementing the third stage for improving the nuclear plant. Logically, this has cost us a great deal. A large amount of resources have been necessary to achieve this, but the country has spared no effort to allocate the necessary resources and effort to continuously make these improvements, a never-ending process. New practices are continuously coming to light. Requirements are constantly upgraded. It is, therefore, the responsibility of all those who own nuclear plants to be up-to-date as to improvements at installations and to have the objective of attaining the highest operational safety standards. [end recording]

We can only add that when the Cuban nuclear plant was being planned, special attention was paid to the proper selection of its component parts, which are made not only in the USSR, but also include equipment brought from prestigious companies in Germany and Spain.

First Quarter Energy Saving Measures Reported

PA2606215591 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Jun 91

[Text] Cuba saved approximately 119,000 tons of oil during the first quarter of this year as a result of energy saving measures adopted by the national electricity system.

Lidio Ramon Perez, director of the Cuban Union of Electrical Transmission and Distribution Enterprises, said that the saving was possible thanks to the high efficiency in oil consumption in the production process, the rational use of lights and refrigeration units, as well as the people's support to reduce electricity expenses in their homes.

* MININT Honors Artists, Journalists, Others

91P40318A Havana GRANMA in Spanish 11 Jun 91 p 1

[Text] A large group of artists, journalists, writers, technicians, and people who work in the cultural sphere and the press were decorated and others received certificates of recognition from the Ministry of the Interior (MININT) on the organization's 30th anniversary. The act was presided over by members of the Politburo, Army Corps General Abelardo Colome and Armando Hart, ministers of the interior and culture, respectively.

In the opening remarks to the ceremony, Colonel Enrique Collazo, chief of the political directorate of MININT, called highly encouraging in this difficult period "the attitude of unyielding principles on the part of intellectuals who, like yourselves, are neither intimidated by, nor let themselves be swayed by the siren songs of the enemy."

Here are artists, journalists, writers, and technicians who, with their work and their activities, have committed themselves to the greatest work, the revolution, he said, because there can be neither national culture nor art of any form, if we allow the enemies to stain the honor of our palms, or try to destroy the patrimony of our ideas and our independence. [no quotation marks as published]

The actor Alberto Pujois, who played "Tavo" in the recently concluded series "His Own War," said in representing the group of awardees:

"We currently find ourselves in the trenches of art, and if it were necessary tomorrow we would exchange them for the trenches on the front line of combat against any enemy whatsoever. We only want to reaffirm to the Party, the commander in chief, UNEAC [National Union of Cuban Writers and Artists], and the Fatherland that you can count on us."

* Beautification Plan for Pan-American Games

91P40319A

[Editorial Report] Havana TRIBUNA DE LA HABANA in Spanish of 22 May 1991 on page 2 reports that the Provincial Enterprise for Green Areas in Havana City will be responsible for beautifying the city for the Pan-American Games. The enterprise's efforts in 1990 involved brightening up 150 miniparks, avenues, and intersections in the city. Plants were placed along 12 million square meters of main thoroughfares. The same goals are planned for 1991; however, efforts will be adjusted to the conditions of the special period. The article further reports that the Union of Young Communists is working to change the image of the Malecon and planning recreational activities along that seaside avenue.

* Statistics on Bulgarian-Cuban Trade

91BA0637Z Sofia DELOVI SVYAT in Bulgarian 22 Apr 91 pp 1, 3

[Article on Bulgarian-Cuban trade by Cristobal Gonzalez, Havana, special for DELOVI SVYAT: "Trading Chicken for Sugar: Who Wins and Who Loses?"]

[Text] Undoubtedly, over there in the Balkan Peninsula, the Bulgarians are hostages to a foreign trade imposed on them by the so-called socialist international division of labor. Here, we Cubans are deep within a militarized economy to which we were brought by domestic and foreign military-bureaucratic complexes.

This conclusion may be drawn from the condition of today's Bulgarian-Cuban trade.

According to official Bulgarian data, between 1981 and 1988, Bulgaria annually exported to Cuba 11,000 tons of poultry meat, 2,240 tons of kashkaval-type cheese, and about 15,500 tons of lard. The tasty chicken consumed in Havana accounted for 36 percent of overall Bulgarian exports. (Another 40 percent were shipped to the USSR.) Respectively, kashkaval accounted for 74 percent and lard for nearly 100 percent of the average annual quantities of these two products exported to foreign countries.

Until the present, however, food has not been a main export item to Cuba, averaging 216 million rubles annually over that period of time. The bulk of the exports consisted of machine equipment, including electric cars, pumps, and so forth; spare parts for them; and electronic components for industrial projects built in Cuba with Bulgarian assistance.

During the same period, Bulgaria received from Cuba an average of about 317,000 tons of sugar per year. It is indicative that, between 1981 and 1985, annual imports rose from 272,000 tons to their peak of 396,000 tons of sugar, or 90 percent of the needs of the Bulgarian market. Also exported, on an annual average, were more than 20,000 tons of fresh citrus fruits.

On the basis of CEMA criteria, Bulgarian-Cuban foreign trade until 1988 was relatively balanced: In all, in that period (1981-88), Bulgaria exported to Cuba goods worth 1.73 billion transferable rubles, and imported from Cuba goods worth 1.615 billion transferable rubles, showing a difference of about 100 million rubles, considered insignificant in comparison with Cuba's huge deficits in its trade with other countries at that time. However, these figures concealed the irrationality of this foreign trade and the approaching catastrophe.

The first shocks appeared after 1988, during which year Cuban sugar deliveries to Bulgaria drastically dropped by 110,000 tons. It was then that the profoundly illogical nature of foreign trade between these two countries became apparent. Problems arose not only as a result of the start of the breakdown process of the socialist system, but also after it became clear that the militarized Cuban economy, which has entered a period of stagnation, was unable to absorb Bulgarian industrial shipments because of its inefficiency. On the Bulgarian side, as well, such deliveries could not be kept up for lack of raw materials and for other reasons. Furthermore, the machines, equipment, and items themselves no longer satisfied Cuban demand in terms of quality, particularly when judging them against world standards. At that point, the tragedy in the area of foreign trade, toward which we were being led by our totalitarian regimes, became apparent.

When both kashkaval and chicken, along with other goods, disappeared from the food stores in Sofia and other cities in January 1991, the news that 860,000 tons of such products had been loaded aboard a Cuban ship was received with tolerance by many Bulgarians. Sugar from Cuba, which had been shipped out shortly before that, was expected in exchange for the Bulgarian poultry. However, this type of trade has no future.

Currently, Cuba is unable to procure the amounts of sugar it supplied Bulgaria in the past. Cuba must hastily and sharply change the geographic directions of its sugar exports, which are the main source of the hard currency it needs in order to replace with Western raw materials, equipment, and spare parts the interrupted and until recently traditional deliveries from Czechoslovakia, the former GDR, Hungary, and Poland. According to UNCTAD [UN Conference on Trade and Development] statistical data, deliveries to Cuban industry from those four former socialist countries totaled $783 million in 1985. The value of such goods fluctuated around that same figure until 1988, when economic relations between Cuba and the countries of Eastern Europe worsened. Cuba's possibilities of financing its trade with loans from foreign commercial banks are minimal inasmuch as, in 1986, Cuba failed to make its foreign debt payments. (Its debt to the Western countries alone is about $7 billion.) Cuba needs annual imports worth $7.5 billion but can earn no more than $5.5 billion from its total exports, of which it must use $1.5 billion for fuel purchases.

Bearing in mind that, over the past four years, Cuba's sugar production has remained steady at a relatively firm level of 7-7.5 million tons annually, it follows that Cuba can have no source of hard foreign currency without changing the geography of its sugar exports.

Naturally, Bulgaria does not have the goods Cuba needs, and that would have been a prerequisite for increasing sugar exports to that country. Such items include special steel, chemicals, herbicides, and so forth. Bulgaria would be unable even to supply equipment and the spare parts for the projects in the construction of which it participated in the past.

So far, our trade with Bulgaria had been based on the international socialist development of labor and the hopes generated by the principles of reciprocal aid based on proletarian internationalism. Let us see the reason for which this structural concept was unable to function favorably and the way it was reflected in relations between the two countries. Along with the former GDR and the USSR, Bulgaria was part of the so-called CEMA Sugar Program, which proceeded from the general agreement on the comprehensive development of sugar production in Cuba, signed in Sofia in 1981. According to that agreement, the three countries were to grant Cuba a total of 766 million rubles for the 1981-90 decade, for the intensive development of the sector. Subsequently, these countries reduced the land they had planted with sugar beets and, respectively, their sugar production from that raw material. Cuba, as well, stopped producing a number of food and consumer goods, relying on importing them from Eastern Europe by exporting sugar. (It is worth noting that Cuba substantially reduced its poultry meat production in order to make better use of its cultivated land, planting it with sugarcane instead of feed corn because income per hectare of corn is $400 as compared with $700 per hectare for sugarcane.)

Today, the Cuban press is silent about the fact that, on the basis of the agreement we mentioned, Cuba in 1990 should have produced 12 million tons of sugar. Reality fell far behind the target figure: The peak annual production that year was 4 million tons, or 34 percent below the stipulated amount. The leading *nomenklatura*, as well, does not mention that, according to the agreement, we should by now have secured 9 million tons for the CEMA members and 2.5 million tons for the free world market. In turn, the Bulgarian *nomenklatura* kept stressing in the past that, in all cases, it would have been more advantageous for Bulgaria to import sugar from Cuba instead of using more land for sugar beets, thus saving on capital investments and the manpower needed to develop new production capacities for sugar refining.

Clearly, the thus-formulated structural concept failed in terms of the economic analysis or the obtained practical results. Reality turned out different.

Could Bulgaria meet its sugar needs by importing sugar from Cuba while exporting poultry, lard, and kashkaval? These are the three products that, in the near future, would have been of Cuba's greatest interest. Bearing in mind the deliberate policy of reducing consumption in our country, it is quite logical to replace rationed veal with poultry meat, thus saving scarce foreign exchange in dollars. (On the basis of 1990 world market prices, one ton of veal costs $2,500, whereas the price of one ton of poultry meat does not exceed $1,000.)

According to economic principles, this kind of trade is inefficient. It cannot be expected for Cuba to exploit Bulgaria. At this point, it is the laws of numbers that apply. Thus, the production of one ton of poultry requires no less than five tons of feed grain, or a total cost of $650 (based on 1990 world market prices of $130 per ton). On the basis of the principle of equivalent trade, if Bulgaria needs 450,000 tons of sugar, worth $140 million, it could obtain that amount from Cuba by exporting 215,000 tons of chicken, the value of which, in terms of the cost of the necessary fodder, is the value equivalent of the imported sugar. But, if the price of sugar on the world market were to drop to, shall we say, $150 per ton, the equivalent amount of exported chicken should decline to 100,000 tons. In all cases, Bulgaria should export poultry meat totaling 100,000 to 200,000 tons, which is 10 to 20 times its current exports to Cuba. Naturally, such hypothetical examples merely illustrate the analysis; Bulgaria could vary the quantities of exported kashkaval, canned fruits and vegetables, wine, lard, and so on. However, because Cuba will reorient its exports, it will be forced to buy such products from other countries. (Of late, Cuba has been importing chicken from Canada, Brazil, Uruguay, and Venezuela—that is, countries geographically much closer to it than Bulgaria).

On the other hand, we should bear in mind that, if profound political and democratic changes were to be made in Cuba, it would begin to diversify its economy and substantially change the nature of its food imports. Today, Cuba imports chicken and other foodstuffs because of the extreme specialization of its agriculture, which suits its totalitarian regime and its militarized economy. However, along with sugarcane, it could produce many other types of food needed by the population, if agriculture were to be based on total decentralization and the free initiative of rural working people.

From the standpoint of Bulgaria's interests, the exchange of chicken, kashkaval, and lard for sugar makes no sense whatsoever. It would be more profitable for the country to go back to the production of sugar beets and sugar in optimal amounts, rather than obtaining sugar by exporting currently scarce agricultural products.

Many European countries, the size of whose arable land is similar to that of Bulgaria, plant more areas in sugar beets by a factor of three to four. Whereas Bulgaria had 440,000 decares in sugar beets between 1985 and 1988, Belgium and Luxembourg had 1.2 million decares each; Hungary, 1 million decares; and Czechoslovakia, 1.9 million decares. Meanwhile, sugar beet yields in Bulgaria are among the lowest in Europe. In the past decade, Bulgarian yields have averaged about two tons per

decare, as compared to five for Belgium and Luxemboorg, four for Denmark, three for Sweden, and three and three-fifths for Czechoslovakia and Hungary. Correspondingly, sugar production from sugar beets has been much higher in those countries.

It is obvious that increasing the areas planted in sugar beets and improving the technology used in their cultivation and in the sugar-refining industry would make the Bulgarian economy independent and more efficient in terms of meeting the country's sugar requirements.

The reader can determine for himself who has been profiting and who has been losing so far.

Inter-Caribbean Affairs

OECS Asks For Further Industry Protection

FL2606232691 Bridgetown CANA in English 1859 GMT 26 Jun 91

[Text] Basseterre, St. Kitts, June 26, CANA—The Organisation of Eastern Caribbean States (OECS) wants further protection for its fledgling industries, Dominica's Trade Minister Charles Maynard has reported.

"In the last three years...a number of our products have not been able to enjoy the level of protection that they deserve because of the difficulties of the common market," Maynard told the Caribbean News Agency.

Maynard is here attending a Caribbean Community Council of (Trade) Ministers meeting. He spoke against the backdrop of concern among some businessmen that a number of businesses protected against regional and international competition would collapse once trade barriers were fully dismantled.

Maynard said the OECS—which comprises seven countries—was asking the Common Market Council now meeting here for further protection under Article 56 of the Treaty of Chaguaramas. Article 56 provides protection to the lesser-developed countries of the 13-member Caribbean Community regarding the viability of their industrial development projects.

"We have asked for another two years to ensure that these industries can get time to settle...(and) develop their market," Maynard said. Maynard said that a number of commodities on display during the recent OECS trade exhibition in Antigua and Barbuda had shown that there were a number of industries which could be developed in the OECS. While he did not mention the industries, he made reference to Dominica's attempt to develop its solar water heaters, candles, and pasta products. Maynard said he was "optimistic" that the council would approve the OECS request.

"The CET (Common External Tariff) or any other measure we will take to advance regional integration do not remove the need for special protection for special areas," he said. The OECS comprises Grenada, Dominica, St. Lucia, Montserrat, St. Kitts and Nevis, St. Vincent, and Antigua and Barbuda.

IMF Has 'Disastrous Effect' on Third World

FL2706020991 Bridgetown CANA in English 2230 GMT 26 Jun 91

[Text] Bridgetown, Barbados, June 26, CANA—Caribbean private-sector leaders and managers meeting in Barbados heard a call on Wednesday for a study of the disastrous effects of the International Monetary Fund (IMF) on developing states.

"...We should...study the implications of the IMF on Third World countries, to show the disastrous effects which the IMF has caused, both in economic terms, social unrest, and perhaps most damaging of all, the loss of our intelligent manpower from the region..." declared former president of the Caribbean Association of Industry and Commerce (CAIC), Hollis Bristol. The St. Lucia business executive did not elaborate.

Guyana, Jamaica, and Trinidad and Tobago all have current economic support agreements with the Washington-based financial institution, and Barbados, its economy on the decline, announced Wednesday that it will begin negotiations with the IMF early in July.

Bristol was among the speakers at the official opening of the CAIC's annual three-day confab on the "burning issues" facing the regional private sector. He also urged Caricom [Caribbean Common Market] to give more serious attention to tourism education. With tourism the likely number one foreign exchange earner of the future for the Caribbean, and possibly the key employment-generating vehicle, Bristol urged the region to "follow the example of Bermuda, a country which has been in tourism since 1907."

Some 50-odd public and private sector leaders, managers, and officials from Caricom, Mexico, Puerto Rico, North America, and Europe are attending the Barbados conference.

The June 26-28 meeting will tackle among its topics President George Bush's Enterprise for the Americas Initiative (EAI), which seeks to boost economic growth through liberalised trade and investment; management of information technology; Europe and the Caribbean after 1992, and the regional private sector in the year 2000.

Barbados Prime Minister Erskine Sandiford, in the keynote speech, again urged the Caribbean Community to combine its resouces to effectively conquer the challenges which none of the small countries in the grouping can as easily overcome alone.

Sandiford lamented what he said was "a fear among our people in the region to take risks, to be genuine entrepreneurs." He said the Caribbean needed regional businessmen to invest in "activity which can produce products with some indigenous content to be used both locally and externally."

The Caribbean Community of five million people had achieved much, but much more lay ahead to be done.

"We have the knowledge, the people, and to some extent, the resources to achieve more," said the Barbadian leader. "The challenge which faces us is to instill the ethic, the attitude, and the spirit of true enterprise and commitment...."

Barbados

Upcoming Talks With IMF Announced

FL2606175191 Bridgetown CANA in English 1725 GMT 26 Jun 91

[Text] Bridgetown, Barbados, June 26, CANA—The Barbados Government announced Wednesday it would meet "early next month" with the International Monetary Fund (IMF) to begin negotiations on measures to correct the serious difficulties in the local economy. Reiterating that currency devaluation was not proposed, Prime Minister Erskine Sandiford told the official opening of a major regional private sector conference here that his government was also meeting with the World Bank and the Caribbean Development Bank to devise "alternative ways and means" of making the necessary adjustments by "a mix of policies."

The Barbados economy declined by 1.5 per cent in the 1991 first quarter compared with January-March last year. Increased retained imports and sluggish domestic exports put continued pressure on the balance of payments and the fiscal deficit remained worrisome.

Sandiford told the 50-odd regional public and private sector leaders and managers: "Two weeks ago I met with...the World Bank to consider priority policy and other requirements for sustaining development.

"Discussions have also started with our own Caribbean Development Bank and early next month discussions will be held with the IMF."

Sandiford said there was local concensus for government's strategy and he was heartened by the support of the Barbadian private sector and "the social partners." He warned, however, that in order to sustain the no-devaluation policy stance "considerable adjustments in our financial and economic arrangements by reducing the fiscal deficit and the deficit on the current account of the balance of payments and by a combination of other fiscal, monetary, and trade policies, must be made." He gave no details.

The Barbados leader said the local export sector was finding it "increasingly difficult" to penetrate the markets of the other more developed countries of the Caribbean common market [Caricom]—Jamaica, Guyana, and Trinidad and Tobago. Currency devaluations in these countries have tended to make their exports comparably less expensive and Barbados exports more costly, he explained.

The U.S dollar, to which the currencies of all Caricom countries are tied, is currently worth two dollars in Barbados, 4.25 dollars in Trinidad and Tobago, about ten dollars in Jamaica, and about 125 dollars in Guyana.

The three-day annual Caribbean private sector conference—co-sponsored by the Caribbean Association of Industry and Commerce (CAIC) and the Barbados private sector, is expected to tackle a range of "burning issues" facing the regional business community.

Strategic planning and implementation, a regional response to Washington's Enterprise for the Americas regime, management of information technology, and the implications for the Caribbean of the growing European market are among the subjects down for discussion. Top business executives and policy makers are attending from Caricom, Mexico, Puerto Rico, Europe, and the United States.

Sandiford, an ardent regionalist, again appealed for a pooling of Caricom's human, natural, and financial resources for the combined good of the community's five million people.

Dominican Republic

Labor Secretary Defends Haitian Repatriation

FL2606182091 Santo Domingo Cadena de Noticias in Spanish 1600 GMT 26 Jun 91

[Text] The secretary of labor has guaranteed that the repatriation of Haitians will be carried out fairly. At the same time, Dr. Rafael Alburquerque justified these steps by saying all countries repatriate illegal aliens.

With the execution of Decree 233-91, families are not being seperated and the government is acting fairly, he explained, while reiterating that the operation is beneficial because every country repatriates illegal immigrants. Continuing, Dr. Alburquerque indicated that all the international accusations of Haitians being treated poorly in the Dominican Republic have been surmounted.

Nationwide Strike Called for 3, 4 Jul

FL2606154891 Santo Domingo Cadena de Noticias in Spanish 0930 GMT 26 Jun 91

[Text] The Collective of Peoples' Organizations, the General Federation of Workers [CGT], the Broad Front for the People's Struggle—FALPO, the National Federation of Street Vendors, and the National Syndicate of Nursing Workers, announced the paralyzation of the

country for 3 and 4 July. Jose Abreu, general secretary of the CGT, speaking for all the groups, said that the strike is in opposition to the government signing an accord with the International Monetary Fund and in demand of a solution to the nation's problems in the area of education, health, and housing. Jose Abreu said that the country cannot withstand the current economic policy that the government is applying.

[Begin Abreu recording] [Words indistinct] with the IMF, which will worsen the grave living conditions of our people, and the government proposal to implement an insignificant salary adjustment, which will not in any way compensate for the serious inflationary levels that their negative neo-liberal economic policy has caused. Our organizations have made great efforts in the search for a consensus to avoid the necessity of calling a strike, which has not been possible. In spite of this, we have decided to not compete with other strike calls by other organizations. Therefore we will accept those calls as long as the organizations in charge are fully committed to them. [end recording]

Indefinite General Strike Announced for 9 Jul

FL2606171391 Santo Domingo Cadena de Noticias in Spanish 0930 GMT 26 Jun 91

[Text] The general secretary of the United Workers Federation has called an indefinite general strike starting 9 July at 0600. Nelsida Marmolejos, speaking for more than 30 labor, popular, and professional organizations said that the Dominican people cannot survive the hunger policy that the government has adopted. Nelsida Marmolejos pointed out that the government has refused to answer specific demands made by the organization, which includes labor, popular, and professional groups.

[Begin Marmolejos recording] Labor, professional, popular, technical, and auxiliary organizations that are united here today announce to the country that we will paralyze all activities nationwide starting from 9 January [Marmolejos corrects himself] 9 July, if the government does not satisfactorily resolve the salary demands. [end recording]

Grenada

Economy Described as 'Deformed, Abnormal'

FL2606122091 Bridgetown CANA in English 1136 GMT 26 Jun 91

[Text] St. George's, Grenada, June 26, CANA—A leading economic planner says Grenada's future may be in "jeopardy" if it does not change its focus to one of "meaningful development." Anthony Boatswain described the economy as "deformed and abnormal" because of a large service sector compared to a smaller productive sector. He said this was "a recipe for failure."

"We are in a serious development bind but I'm optimistic. It will take significant structural changes at serious levels, especially at the political and administrative," Boatswain said.

Boatswain is now working on a national development plan that calls for an increase in efforts to resuscitate agriculture, a major foreign exchange earner, and manufacturing. That plan was discussed recently by donor agencies, including the Caribbean Development Bank, as well as officials from the United States and the Republic of China. Boatswain said the plan could help to correct the "deformity" in the national economy but he also called for significant structural changes.

"The present path we are on right now cannot bring us to the light at the end of the tunnel; we have to take a completely different path altogether," he asserted. He called for "a cleaning of the house, a new orientation, and a new development thrust within the education system, the work ethic, and the way of thinking."

"The whole thrust of our development planning now is to move from that rail to a different rail. We must take a different approach to put the economy on a different path to what it was on for the last decade or so," he said. Grenada registered a 6 percent growth in the economy in the first four months of this year.

Haiti

CASEC Members Demand Meeting With Aristide

FL2706012391 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 26 Jun 91

[Excerpt] Several Communal Section Administration Council [CASEC] members from the Western Department occupied the premises of the Interior Ministry yesterday, requesting a meeting with President Jean-Bertrand Aristide, whom they say they have never seen since they were sworn in. These CASEC members demanded their salaries, office space, the materials and information required to do their work, and asked that the Legislative Chamber research the law governing the CASEC so they can definitely take up their offices, and so the assemblies can be established.

They wanted to know how much the state has decided to pay them. They also asked to participate in decisions on the 1991-92 budget that the government will be presenting to the chamber. Since they were sworn in on 7 February, they say, they have been treated as if they do not exist. They do not know where they stand. [passage omitted]

Preval Tours Artibonite To Set Up Land Reforms

FL2606225291 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 26 Jun 91

[Text] Prime Minister Rene Preval is on a three-day tour in Artibonite to set up a program that will allow the government to more effectively intervene in the land

conflicts, which for years have been causing bloodshed in the department. The prime minister is accompanied on his visit by Agriculture Minister Francois Sevrain, an agronomist; and by Justice Minister Carl Auguste, a lawyer.

During a statement on Radio Antilles on 21 [as heard] June, Father Aristide, it will be remembered, severely warned against continued bloodshed in the area. This declaration came a few days after several priests in the diocese asked him in an open letter to intervene as soon as possible because bloodshed threatened to occur even more frequently in the department.

KID Calls For Anti-Balaguer 'Maneuvers'

FL2606203091 Port-au-Prince Radio Metropole in French 1600 GMT 25 Jun 91

[Text] The Confederation for Democratic Unity [KID] is calling for vigilance and mobilization against maneuvers by the Balaguer government. These maneuvers could, according to KID, lead to the destabilization of the 16 December government. KID questions the opportunism of the repatriation measure, unilaterally decided by the Dominican Government, and demands more steadfastness from Haitian officials in management of the dossier.

The Coordination Committee for Haitian Workers in the Dominican Republic, on the other hand, believes that President Balaguer is seeking to mislead international opinion and to divert Dominican opinion from real problems in the Dominican Republic.

Braceros Walk for 44 Hours To Escape 'Hunt'

FL2706010091 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jun 91

[Excerpt] The most important point in the news is still the crisis between Haiti and the Dominican Republic concerning the braceros [sugarcane cutters]. Another group of 50 braceros voluntarily decided to return to Haiti from the Dominican Republic on 24 June because life there has become too hard, they said, and they no longer feel secure.

One of them, 18-year-old Victor Frederic, reports that the statements of President Jean-Bertrand Aristide are being repeated in the Dominican press and have become the subject of much criticism.

The hunt for braceros continues. It has become unbearable for our compatriots, so they are obliged to set off voluntarily, walking for 44 hours to reach the border between Haiti and the Dominican Republic. [passage omitted]

CONACOM Suggests Dominican Solution

FL2606200391 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jun 91

[Text] The National Congress of Democratic Movements [CONACOM] believes that social, political, and economic factors currently affecting the Dominican Republic have once again highlighted the many problems between Haiti and the Dominican Republic. CONACOM cautions Haiti to therefore not overreact to the current situation, and asks the Haitian Government to implement the following measures: :

Quickly take all necessary steps toward establishing a new diplomatic mission, including appointing an ambassador, in the Dominican Republic;

Set up a process of verification of children's birth certificates to clearly determine nationality;

Ask the Dominican Government to stop repatriating these children without their parents' approval;

Verify, with the help of the International Labor Organization based in Geneva, the files of workers over 60 to determine how much money is owed them;

Stop accepting deportees, alleged Haitian citizens, until a new diplomatic mission is established. Travel documents in due form can be delivered to the Haitians.

CONACOM asks the Haitian people to avoid the trap set for them by the Balaguer administration. Serious negotiations must be undertaken to tackle all aspects of relations between the countries. The Balaguer government's initiative is outdated, according to CONACOM. Such things should not still be occurring in this age. It is a different type of relations that must now be established between the Dominican Republic and Haiti, especially after the 16 December 1990 elections, says CONACOM.

This statement was signed by Victor Benoit, secretary general, and Jean-Claude Bajeux, assistant secretary general, for CONACOM.

COPPPAL Remarks on Repatriation Issue

FL2606215291 Port-au-Prince Radio Metropole in French 1600 GMT 25 Jun 91

[Text] The Permanent Conference of Latin American Political Parties [COPPPAL], which is currently holding its plenary assembly in Valpareso, Chile, adopted some resolutions concerning the repatriation of Haitian workers from the Dominican Republic.

COPPPAL is calling for the opening of dialogue between the Haitian and Dominican Governments to solve the disagreement through diplomatic channels, and with respect for human rights, in the interest of both nations. COPPPAL is inviting the popular and democratic forces of the country to set aside their divergence to guarantee the blooming of democracy in Haiti. At this assembly, COPPPAL recommends to its Commission on Haiti and

the Eastern Caribbean to follow up these resolutions by supporting the Haitian democratic process.

Two Haitian political parties, the Nationalistic and Progressive Party of Haiti, and the National Congress of Democratic Movements [CONACOM], are currently members of COPPPAL. CONACOM Secretary General Victor Benoit is currently participating in COPPPAL's meetings, which will end this week in Valpareso, Chile.

Jamaica

Parliament Passes 'Controversial' Tax Bill

FL2606144691 Bridgetown CANA in English 1310 GMT 26 Jun 91

[Text] Kingston, Jamaica, June 26, Cana—The Jamaica Parliament, after three hours of debate, on Tuesday passed a controversial bill introducing a 10 percent General Consumption Tax (GCT). The GCT will replace eight other taxes, including excise and consumption duties. It takes effect on October 1, this year.

The bill was passed with 37 amendments, most of which were sponsored by the opposition Jamaica Labour Party (JLP). The most significant amendment provides for retailers to show separately, in receipts or by labelling, the retail price and the tax.

The proposal was put forward by the opposition as a temporary measure, but was refined and accepted by the government. The amendment, according to opposition spokesman on finance, Bruce Golding, was intended to prevent "unscrupulous" businessmen from overcharging and blaming it on the GCT.

The bill had to be passed before a letter of intent for a new economic support programme for Jamaica was sent to the board of the International Monetary Fund on Friday.

Passage of the bill was delayed last week when Parliament became bogged down with procedural matters after the opposition accused the government of throwing out the recommendations of a joint select committee which reviewed the original bill. The original bill was withdrawn last Tuesday and a new bill introduced.

Trinidad and Tobago

Central Bank Reports Trade Decline With Caricom

FL2706013791 Bridgetown CANA in English 2102 GMT 26 Jun 91

[Text] Port of Spain, Trinidad, June 26, CANA—Trinidad and Tobago's trade with the Caribbean Community (Caricom) [Caribbean Common Market] experienced a fall of four million dollars (one TT [Trinidad and Tobago]ollar = 23.5 U.S. cents) in the first quarter of this year, the Central Bank has reported.

According to the quarterly economic bulletin, the twin-island state realized a surplus of 47.7 million dollars in the first quarter of 1991 compared with 52.8 million dollars in the corresponding period of last year.

Exports to Caricom totalled 64.8 million dollars during the first three months of the year compared with exports totalling 68.8 million dollars in the corresponding quarter of last year.

The bank noted that there was a significant fall in the value of goods shipped to Jamaica. Exports to Jamaica during the quarter amounted to 10 million dollars compared with 18.7 million dollars in the same period last year.

"This decline of 46.5 per cent appears to be associated with payment difficulties currently being experienced by Jamaican importers following the recent introduction of the country's new foreign exchange system," the bank said.

But while there were lower export receipts from Jamaica, there was an increase of 8.2 million dollars in exports to the Bahamas. The most significant changes recorded were in mineral fuels and related products, which declined by 5.5 million dollars, and manufactured foods, which increased by 3.7 million dollars.

Imports from Caricom states in the first quarter of the year were valued at 17 million dollars, a marginal increase of 1 million dollars over the corresponding period of last year. Slight declines were recorded in imports from seven countries but these were offset by a 1.7 million dollar increase in shipments from Belize, the bulletin reported.

Salinas Discusses Upcoming Visit to Europe

PA2606194891 Mexico City Red Nacional 13 Imevision Television Network in Spanish 1314 GMT 24 Jun 91

[Text] During a meeting with news agency correspondents, particularly ANSA's, to comment on his future visit to Europe, Mexican President Carlos Salinas de Gortari said that the upcoming August elections will be held amid a climate different from that which prevailed three years ago, a climate now marked by concerted effort and dialogue.

President Salinas said that the current political climate in Mexico offers a better democratic perspective. Aboard the presidential helicopter he flew during his working visit to the state of Guanajuato, Salinas spoke with correspondents of the German news agency DPA and the Italian news agency ANSA. He said that the August elections will be held amid a climate of dialogue and consensus that guarantees a quite different policy. He also said that this result has been attained with the implementation of political reform that includes a new voter list and the creation of a self-governing electoral tribunal.

In this framework, Salinas said that the Institutional Revolutionary Party now has a much better outlook because it is changing its procedures and the profile of its candidates in a big effort to win votes. He also referred to the tour he will make through four European countries. With regard to the state visit he will make to Germany, Salinas said the purpose is to attract greater German investment to improve Mexico's position in the international competition for capital. He added that he seeks to increase Germany's economic presence to diversify Mexico's commercial relations in relation to the free trade agreement being negotiated with the United States and Canada. He also spoke about his visit to Italy and said that its objective is to lay the groundwork for increased economic and industrial cooperation with this country. Regarding his stay in the Soviet Union and Czechoslovakia, the president said that the objectives of these visits are to politically deal with the processes of change going on in Eastern Europe and Mexico.

Ambassador Explains Japanese Credit Goals

PA2606213491 Mexico City XHTV Television Network in Spanish 0200 GMT 25 Jun 91

[Text] Mexican Petroleum [Pemex] has signed a $315-million credit with the Export-Import Bank in Tokyo, Japan. The Japanese bank also granted a $72-million credit to the National Foreign Trade Bank [Bancomext] and the National Finance Bank, Inc. [Nafinsa]. Alfredo Phillips Olmedo, Mexican ambassador to Japan, explained how the credits will be invested.

[Begin recording] [Unidentified reporter] We will interview Mexican Ambassador Phillips Olmedo at the embassy in Tokyo. Mr. Ambassador, we would like to have an idea about the two loans.

[Phillips] The first one is a third-phase credit to import Japanese products. It is part of the efforts to open the Mexican economy and the struggle to increase the production sector's competitiveness and efficiency. It is essentially a recognition that those efforts have proved positive. Previous operations were carried out before the last renegotiation of the Mexican foreign debt.

The other credit—which possibly has special characteristics—will help Pemex produce unleaded gasoline and fuel. The goal is to create a refinery, or to modify existing refineries, that will eventually eliminate lead in our gasoline. [end recording]

El Salvador

Rebel Commander on 'Internal Political Front'

PA2706041291 San Salvador Canal Doce Television in Spanish 0304 GMT 27 Jun 91

[Text] A guerrilla commander identified as Herson Martinez said last night that the countdown toward the end of the war in our country has begun after the progress made with the government in the last meeting in Mexico. The commander stated that the end of hostilities will depend on the existence of social conditions for the development of political activity by the rebels, and on the signing of agreements on purging the Army in the next round of negotiations.

Nevertheless, Herson Martinez, who made his statements in this capital, reiterated that the war will continue as long as specific agreements are not reached with the government. In this regard, the guerrilla commander said that in the next few days, the FMLN [Farabundo Marti National Liberation Front] will install an internal political front to promote the conditions that will permit the transformation of the current military cadres into new political cadres. The rebel leader said that a date for a cease-fire cannot yet be determined but he added that the talks are aimed toward attaining peace.

Rebel Station Views Talks in Mexico, Gen. Ponce

PA2606172991 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 25 Jun 91

[Station Commentary]

[Text] Following the round of negotiations in Mexico, noting the considerable progress made toward the dissolution of the old repressive corps, we can state that the process is moving irreversibly toward the demilitarization of the country. The negotiations are definitely on the path of being successfully concluded, although there are official sectors trying to interrupt this irreversible process.

The dissolution of the sinister and coercive security apparatus will soon become a reality that will allow civilians to act freely and enjoy their political rights which, until today, have been trampled by the military. However, the need for peace and a cease-fire demands that we adopt greater and more stringent guarantees and agreements. The Armed Forces, which for over 60 years has maintained its criminal behavior, must be purged in-depth to eliminate its impunity.

The wealthy military caste will [words indistinct] and, in the next meeting, they will test their real willingness to reach a solution through either guns or reasonable political agreements. However, in a new warmongering and bellicose attitude, General Ponce is trying to justify his military operations in our territories. He persists on unrealistic positions of using force and speaks of military advantages over the National Army for Democracy. To continue denying the existence of two armies, as Gen. Ponce did today, is an irresponsible provocation that affects not only the possibility of reaching agreements in the next round of negotiations, but also the considerable progress made by the government commission in Mexico.

Certainly, a military draw does not exist in the country. What we have in El Salvador is a fragile military equilibrium that the Armed Forces will not be able to break, despite using all its operational forces on the cities and territories under our control.

We will respond to every act of provocation, and if Gen. Ponce believes that the so-called institutionality gives him the authorization to launch large-scale operations, then he will have to eat his words.

We hope that the Armed Forces High Command can adopt the more intelligent option for the future. We also hope that the Armed Forces High Command, together with the ultra-conservative sector of Arena [Nationalist Republican Alliance] and the oligarchy, do not decide in favor of delaying the imminent agreements to purge the Army and end impunity, conditions required to attain a cease-fire.

The hour of truth is near. The Farabundo Marti National Liberation Front has the moral solvency and the political-military force to tip the balance in favor of real democracy and against military imposition.

Print Shop Owners Arrested for Visa Forging

PA2606151591 San Salvador LA PRENSA GRAFICA in Spanish 25 Jun 91 p 2

[Text] With the arrest of the owners of a clandestine print shop, the authorities have broken up a network of U.S. visa forgers.

Finance Police spokesmen reported yesterday that Dora Alicia Flores Rivera and Antonio Quiteno Ortiz were the owners of the print shop that functioned clandestinely in a Jardines de Guadalupe neighborhood residence.

The heads of the network were arrested following diligent investigations that were initiated thanks to information provided by citizens, including people who have been negatively affected by the clandestine operation and who filed charges.

The authorities seized seals with the names of various offices of the General Directorate of Immigration, the office of the Municipal Mayor of San Salvador, a notary seal with the name of Dr. Jose Santamaria Prieto, equipment made in Taiwan, and chemical products used to forge documents.

The authorities have asked for the cooperation of persons who may have been victimized by the defendants and who may now file charges in common courts. The authorities have also cautioned people who want to travel to the United States to properly process their

documents to avoid falling prey to professional swindlers who promise to take people to that country and when they fail, simply abandon their victims in an unfamiliar land, leaving them exposed to grave danger.

Guatemala

Energy, Mining Agreement With Venezuela Ratified

PA2606192691 Guatemala City PRENSA LIBRE in Spanish 23 Jun 91 p 15

[Text] A scientific and technical cooperation agreement in the fields of energy and mining between Guatemala and Venezuela has been ratified and countersigned by the foreign relations minister.

The agreement, now a law, was initially signed on 18 May 1990 in Caracas between then Guatemalan President Vinicio Cerezo and Venezuelan President Carlos Andres Perez. The goal of this agreement is to broaden and expand cooperation to consolidate both nations' scientific and technological development.

The program will cover the following hydrocarbon areas: exploration, production, transportation, refining, marketing, project development, environmental engineering, information systems, business management, and industrial security.

In the energy field, activities will be developed in the following areas: planning, conservation, institutional and technological development, legislation, management, and alternate sources. Meanwhile in the field of power generation there will be activities in the following areas: business management, power loss, maintenance and reconditioning of hydroelectric power plants, environmental effects, and engineering design for hydroelectric power plants.

The agreement sets out the following activities in the mining field: surveying, exploration, assessment, exploitation, processing and metallurgy, mining negotiations and hiring, marketing, and legalization. To conclude, the agreement also provides for the development of human resources, which calls for the exchange of information, experiences, and studies in the administrative and technological areas.

The information concludes that the agreement is for a four-year period with automatic renewal.

Nicaragua

Government Commissions To Promote Disarmament

PA2606192591 Mexico City NOTIMEX in Spanish 0109 GMT 26 Jun 91

[Text] Managua, 25 Jun (NOTIMEX)—The Nicaraguan Government announced today the reactivation of the verification and security commissions to promote the disarmament of the civilian population and the pacification of the country.

Labor Minister Francisco Rosales has told NOTIMEX that the opposition Sandinist National Liberation Front ¡FSLN], the government, and the Nicaraguan Resistance [RN] are "working to attain peace and reconciliation. [no closing quotation marks as received]

After assessing the agreements signed a year ago between the government of Violeta Chamorro and the RN, which facilitated the demobilization of more than 20,000 former contras, the FSLN, the government, and the RN have recommended a new disarmament process.

The reappearance of armed groups in northern Nicaragua, which are responsible for disorder in small towns, ambushes, murders, and other criminal activities, has prompted the authorities to address the issue.

"These groups are willing to disarm themselves," and the FSLN has recognized that there are armed cooperatives, Rosales stated.

Daniel Nunez, leader of the National Union of Farmers and Cattlemen (UNAG), has said that identifying the problems that are affecting the peasants "is an important step."

Nunez added that the insecurity in land tenure, the takeover of cooperatives, and the weapons in the hands of civilians are problems that go hand in hand and demand an answer.

Approximately 100,000 weapons are still in the hands of civilians even after RN groups have surrendered 50,000 weapons to the government, members of the verification and security commission have reported.

Preparations Made for FSLN National Congress

PA2606160191 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 25 Jun 91

[From the independent "Extravision" newscast, directed by Manuel Espinoza]

[Text] Several department congresses were concluded over the weekend. Everything is ready for the first Sandinist National Liberation Front [FSLN] national congress. The FSLN's department congresses ended in different cities, including Masaya, Rivas, Leon, Chontales, Bluefields, and Matagalpa.

The congress in Matagalpa lasted three days and ended on 23 June. Commander Daniel Ortega attended the close of the event. Different issues were discussed here, including the party's democratization, broader relations with the peasants, and—above all—the agrarian problem. A special departmental commission was created to define and propose measures to resolve this problem.

The debates resulted in the appointment of 35 delegates who will represent the department in the national congress that will be held in July. The closure of the event coincided with the 55th anniversary of Commander Carlos Fonseca's birthday. Congress delegates and Commander Ortega visited the house where Carlos was born.

Municipal Organization Voices Support for Aleman

PA2606192491 Managua Radio Corporacion in Spanish 2300 GMT 25 Jun 91

[Report by Roberto Sanchez, information and press official at the Managua mayor's office—live]

[Text] We have two important news items to report today. First, Managua Mayor Arnoldo Aleman Lacayo and council member Isabel Bobilla met this morning with President Violeta Chamorro. It was an interesting meeting, and the mayor made several statements on the meeting. However, it is more important to report that this afternoon, the mayors from various municipalities and departments of the country voiced support for Managua's mayor and defended the principle of municipal autonomy. Matagalpa Mayor Frank Lanzas urged other mayors to issue a pronouncement condemning the takeovers of the mayors' offices by front individuals and demanding true respect for the municipal autonomy of all mayors' offices. The pronouncement in support of the Managua mayor reads as follows:

We, the member mayors of the Council of Directors of INIFOM [Nicaraguan Institute of Municipal Development] who met in Managua on 25 June, hereby voice our support for Managua's mayor in the defense of the principle of municipal autonomy. We express our solidarity with the just request of the Managua Municipal Council to the Presidency of the Republic of abolishing Decree 26-91, which was recently approved, as it violates municipal autonomy, which constitutes one of the basic pillars of our new democracy that will allow the municipalities to recover their own identity and nature.

We reaffirm our clear determination as municipal governments freely elected by the people to maintain excellent relations with the central government and to deepen and strengthen these ties with the mutual respect and the spirit of cooperation that should prevail between both administrations that are part of the decentralization process we are undergoing. This pronouncement is signed by over 35 mayors of several municipalities and departments of the country, including the mayor of the city of Leon. Let us listen now to what Managua Mayor Arnoldo Aleman Lacayo said about the meeting with President Chamorro and this pronouncement by the mayors.

[Begin recording] [Aleman] [Words indistinct] the city mayors appointed by the president will form part of the INIFOM Board of Directors. They will then form the various health and education commissions [words indistinct]. In addition, they support the Managua municipality in the defense of the municipal autonomy [words indistinct] Decree 26-91 issued by the Presidency of the Republic on 14 June and published on 19 June. In it, the president asked all mayors and INIFOM directors [words indistinct] to return full autonomy to the municipality of Managua.

[Reporter] It had been initially stated that the Managua mayor had been invited to form part of the committee that was going to request support of the Presidency for the reconstruction of the capital city. Any comments?

[Aleman] We were definitely invited. We want the mayors to agree on that. However, if this is not solved, the Managua municipality feels that the land in downtown Managua, the devastated area that [words indistinct] belongs to the municipality. This was an acquired right obtained by [words indistinct] in 1990 and [words indistinct]. This will solve the autonomy of the municipality. We are not opposed [words indistinct] invite the president. A commission that was appointed will jointly work on the reconstruction of downtown Managua. More than anything else, we will fight to maintain municipal autonomy.

[Reporter] What can you tell us about the meeting you held with the president of the Republic?

[Aleman] The president had no problems with [words indistinct]. However, Minister Lacayo said he did not think that municipal autonomy had been violated and that there should not be any arguments. Nonetheless, we insisted that in principle the [words indistinct] in downtown Managua belonged to the municipality of Managua, and that [words indistinct], that autonomy has in fact been violated. We gave them until tomorrow as a deadline so that it will be clearly established that the Presidency should admit that due to bad advice, part of the municipal autonomy was violated.

[Reporter] Is there any willingness to solve this case, and could it be considered a political case?

[Aleman] I would say that Managua Municipality is willing to solve this, and our president is also willing to solve this. Perhaps some of her advisers are not willing, but I think that municipal autonomy, which is the basis for the new democracy in this country, will prevail. As for the political aspects, I would say that many have criticized the violation of municipal autonomy as a political issue. However, I think it was just poor advice for the president of the Republic. It has tremendously concerned not only the Managua municipal council, but all the other mayors who are meeting here this afternoon at Las Mercedes Hotel. In addition, another group of mayors met this morning at the Olof Palme Convention Hall. [end recording]

That was Managua Mayor Arnoldo Aleman Lacayo, who also confirmed that on Thursday there will be a march to demand respect for municipal autonomy. The march will begin at 0900, leaving from the area in front of the Cesar Augusto Silva Conventions Center.

Today's meeting of the INIFOM Board of Directors appointed five commissions to various branches. Managua Mayor Arnoldo Aleman Lacayo was appointed chairman of the Juridical Commission. The other members of the commission are: Leon Mayor Luis Felipe Perez, Chinandega Mayor Juan Munguia, and Santo Tomas Mayor Rodolfo Alfaro.

Panama

Former Defense Force Officials Released on Bail

PA2706024791 Panama City Circuito RPC Television in Spanish 2343 GMT 26 Jun 91

[Text] Former Colonels Marcos Justines and Rafael Cedeno were suddenly released this afternoon on bail. Justines' lawyers posted bail for their client in the amount of 300,000 balboas, while Cedeno's lawyers paid 50,000 balboas.

The country has been surprised to learn that Justines was released on bail and at the same amount, as this is not in line with the charges levied against him. The people are also upset because of the manner in which justice is being administered to certain officials of the former regime. Many consider that those who robbed the national treasury are being treated with a very soft hand, considering they ruined the nation's finances.

After it was learned that the two men had been transferred from the Renacer Jail to the Modelo Jail, our reporters went to the Second Circuit Court under Judge Luis Guillermo Zuniga, where the secretary said he could not disclose any details concerning the bails granted to former officers Justines and Cedeno. Nonetheless, it was learned that the dossier with the charges raised against former Col. Justines is at the First Circuit Court under Judge Luis Guillermo Zuniga.

A source from the Attorney General's Office said that the district attorney in charge of the investigations has been notified and he has not presented an appeal. The bail documents are dated Thursday, 20 June 1991, and became effective today. Former Colonels Justines and Cedeno are charged with corrupting public officials and embezzlement.

Endara: Release 'Unacceptable'

PA2706033791 Panama City Circuito RPC Television in Spanish 0152 GMT 27 Jun 91

[Statement issued by the cabinet at the Presidential Palace in Panama City on 26 June; read by President Guillermo Endara—recorded]

[Text] Ladies and gentlemen: I want to firmly tell you that the cabinet, and the entire executive branch, have been shocked by the release of former Colonel Marcos A. Justines on bail.

The executive branch respects the separation of powers, but we cannot fail to state the fact that we completely disagree with the release of a man who faces more than 10 charges, including embezzlement charges, which do not permit release on bail.

Under these circumstances, the executive branch, on behalf of the Panamanian people, because we are the expression of the will of the Panamanian people as affirmed in the 7 May 1989 elections, wants to state its total disagreement and to announce that we are going to ask the attorney general to investigate all the officials who have had a hand in this action—the judicial branch officials who decreed this release on bail and the officials of the General Attorney's Office who failed to appeal the decision.

We are going to ask the legislators who back the government to propose at the Legislative Assembly the creation of a commission to investigate in detail what has happened, how this release on bail, something that is completely unacceptable, came to be.

Thank you.

U.S. Army Reportedly Arrests Opposition Leader

PA2706020591 Mexico City NOTIMEX in Spanish 2433 GMT 26 Jun 91

[Text] Panama City, 26 Jun (NOTIMEX)—Opposition Legislator Miguel Bush has reported that U.S. military forces arrested people's leader Juan Antonio Maquensi today to interrogate him at Fort Clayton in the Canal Zone.

According to Bush, who is a Democratic Revolutionary Party member, U.S. Southern Command troops arrested Maquensi and he added that "Maquensi's life could be in danger." Juan Antonio Maquensi heads the National Commission of Dismissed Employees.

Legislator Bush pointed out that some time ago, the Southern Command had given a list of 50 people, who opposed President Guillermo Endara's regime, to the Attorney General's Office to be investigated. One of the persons on that list was Maquensi.

Police authorities have not confirmed or denied the alleged arrest of the people's leader by U.S. soldiers.

Linares on U.S. Media, Military Bases Issues

PA2606150391 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jun 91

[Interview with Foreign Minister Julio Linares by unidentified reporters in Panama; date not given—recorded]

[Text] Foreign Minister Julio Linares has said that Panama is the target of a disparagement campaign by the U.S. news media.

[Begin recording] [Linares] You see the U.S. press repeatedly saying that the levels of drug trafficking are as high and even higher than during the dictatorship. Why is this? I cannot point out any reasons, but the facts demonstrate that there is a campaign. We owe a great part of the notoriety and the bad image that Panama has abroad to the U.S. news media. That is a fact.

[Reporter] Minister, how is the government interpreting the statements or reports by the U.S. Government which indicate that the military bases may be turned over before the agreed upon deadline, for Panama to assume the....

[Linares, interrupting] I plan to meet with the U.S. ambassador this week to discuss the matter.

[Reporter] Does this mean that it is possible that by 1995 the presence of military bases in Panama may be extended?

[Linares] I believe that President Endara has been clear on this issue and I have also been clear. This government is not going to extend the presence of any military bases. Let that be clear. [end recording]

PRD Rejects Mutual Legal Assistance Treaty

PA2606220491 Panama City EL PANAMA AMERICA in Spanish 26 Jun 91 p 1A

[Text] The opposition Democratic Revolutionary Party, PRD, has presented a document to the plenum of the Legislative Assembly demanding the rejection of the Mutual Legal Assistance Treaty (MLAT) signed with the United States. It also urged the Executive Branch to negotiate a new agreement that will not "hurt national dignity and interests."

The document was presented to the plenum by PRD Legislator Balbina Herrera through the Foreign Relations Committee, which is made up mostly of progovernment and Christian Democratic Party deputies and has recommended the ratification of the MLAT.

According to Herrera, Washington "pressured" the "U.S.-backed" government into negotiating and ratifying that treaty. She added that we have sold Panama's "juridical sovereignty" in exchange for $84 million.

We agree that drug trafficking and money laundering should be stopped, Herrera said. However, she added that the government was "intimidated" by the campaigns in the international press through which the United States is trying to "impose" the MLAT and transfer the Panamanian banking system to Miami.

The reports from the Assembly's majority and minority on the MLAT must be debated this week, before the legislative sessions end. It is expected that this instrument, which establishes cooperation between the two countries in the investigation of drug trafficking, money laundering, and other crimes, will be approved before the end of the month.

According to most members of the Foreign Relations Committee, the signing of the MLAT constitutes a positive step in international juridical cooperation in the struggle against crime. They also contend that the treaty will not have a negative affect on the banking center and that it respects Panama's juridical sovereignty.

Endara Vetoes Bill Granting 13th-Month Bonus

PA2706025991 Panama City Circuito RPC Television in Spanish 2356 GMT 26 Jun 91

[Text] This is a last-minute report: Under the authority granted by Article 162 of the National Constitution, President Guillermo Endara has vetoed the bill ordering payment of the 13th-month bonus to public employees. The Press Secretariat of the Presidency of the Republic issued a bulletin announcing that the president vetoed the bill for two reasons: First, because it is not advisable, and second, because the bill is unattainable.

Meanwhile, legislative spokesmen announced tonight that in a few minutes they will request a change in today's agenda and they will insist on this bill that returns payment of the 13th-month bonus to public employees.

Government Reportedly Bans Spanish Magazine

PA2606205591 Panama City EL PANAMA AMERICA in Spanish 25 Jun 91 p 4-A

[From the "Hidden Truths" column by Tomas A. Cabal: "The Spanish Magazine CAMBIO 16 and Freedom of the Press in Panama"]

[Text] President Endara's democratic government—imitating one of the Noreiga dictatorship's worst excesses—has banned the circulation of Spanish magazine CAMBIO 16, according to reliable sources.

This measure is in response to some Panamanian Government officials' wishes to ban the popular magazine's distribution because in the 20 and 27 May editions, articles were published that point fingers at the drug trafficking and money laundering activities of well known politicians. The articles, written by Spanish reporters Manuel Cerdan and Antonio Rubio, include data on the local activities of drug traffickers Juan Ramon Prado Bugallo, alias "Sito Minanco," from the Galicia region in Spain, and hotel owners Luis and Manuel Fernandez Espina, from the Asturias region in Spain.

An inquiry made to the company that locally distributes CAMBIO 16 reveals that alleged State Security personnel have banned the distribution of the aforementioned editions.

CAMBIO 16 is published in Madrid and arrives by airplane each week in Panama from San Jose, Cost Rica. The magazine's transporter is Antonio Diaz and the distributor is the firm JOM, S.A.

According to Diaz, approximately 100 copies of CAMBIO 16 are sold weekly in Panama, however, the interest sparked by the articles on drug trafficking and money laundering have generated a greater demand for the magazine. Diaz said that he is currently undertaking new measures to resolve "the logistical problems" encountered with the 20 and 27 May editions. Diaz has denied that the local authorities pressured him, however, he did admit that the magazine's distribution has not been possible from Costa Rica.

Diaz' version does not line up with the truth, according to JOM, S.A. officials. Company personnel have disclosed that when they arrived at the airport to collect the magazines, they were advised by alleged State Security personnel that the 20 May edition could not be distributed.

In Panama, it appears, it is common practice to ban information that is controversial or critical of the democratic government, according to several media sources consulted. Although it is true that there is total freedom of the press, it is also true that the Noriega press laws are still in force and are still being applied. This translates into a self-censorship policy within the local media. According to EL SIGLO Director Carlos Singares, his newspaper has been flooded with legal summonses intended to neutralize his efforts to distribute information.

The Panama America Publishing case is also characteristic of the indirect censorship that prevails over the media that criticizes President Guillermo Endara's administration. According to Ignacio Mallol, an absurd legal claim that has been filed by the Panama National Bank against the company's assets limits the publishers' as they cannot make use of their equipment to improve their news disseminating activities.

The ban imposed on CAMBIO 16 is a sign of what is happening and what will continue to happen in democratic Panama, where the current government has not learned to live with a free, active, and critical press. As some would say: This is the same as before, only worse.

Ford Responds to Industrialists' Criticism

PA2606173391 Panama City LA PRENSA in Spanish 25 Jun 91 p 1-A

[Report by Zoila Rodriguez Jovane]

[Text] Minister of Planning and Economic Policy Guillermo Ford has described criticism by the Association of Panamanian Industrialists [SIP] as "demagogic" and "false." The criticism against the Guidelines for Economic Modernization was made in what Ford called a "dubious" union of opinion with the Confederation of Workers of the Republic of Panama [CTRP].

The vice president also "completely" discarded statements made during a news conference by industrialists and workers, who agreed in stating that Ford's work seeks to "dismantle" the productive system.

The minister expressed his surprise that the "sui generis" association of unionists and management, who traditionally face each other in antagonistic positions, now find themselves in alliance.

Ford called on all political and private sectors who have criticized the plan "somewhat irresponsibly" to present alternatives and to make contributions that will improve the program, instead of "opposing it for the sake of opposition."

The Molirena [Nationalist Liberal Republican Movement] leader criticized the fact that those same businessmen, who have emerged from an even stronger economic crisis, are now threatening to lay off workers without saying why the economic plan is responsible for such a drastic measure.

Although he affirmed that the government does not intend to "impose the economic plan," he said that "the train is in motion" and those who doubted it would do so, "have been left at the station."

"It is not a matter of agreements; the economic plan has been approved and will be implemented without hurting industry or labor," he stressed.

Ford said that he respects those adversaries who practice their right to dissent and said that it is the government's intention to support small, medium-sized, and large businesses, because they are the generating source for jobs and wealth.

With regard to the mistrust uncovered by the most recent Dichter & Neira poll, published by LA PRENSA, he said "I share the dissatisfaction" with the slow start of the government's investment program.

"I have said it publicly and I have sustained it before the cabinet: the Panamanian people will feel frustrated as long as they do not see work on the infrastructure being done—the money for which is readily available—and the activation of programs previously approved in the budget."

Residents Protest Lack of Government Action

PA2706042191 Panama City CRITICA LIBRE in Spanish 25 Jun 91 pp 56, 39

[Text] Hundreds of El Chorrillo residents blocked the road leading to the Bridge of the Americas on 24 June. The reason for their protest is that the government has not met their demands although 18 months have elapsed since the military action that toppled General Manuel Antonio Noriega took place.

The El Chorrillo leaders held a news conference at the 24 December Building where they censured President Guillermo Endara's administration and said they were liars who had frustrated their expectations.

Following the news conference, a group of several hundred El Chorrillo residents demanded that their leaders

block Martyrs' Avenue, which is the road that must be used by people going to the interior of the country.

The protesters shouted slogans and carried posters with messages outlining their demands. One of these demands is the payment of 3,500 balboas to purchase household and other goods that were destroyed during the invasion.

Argentina

Government To Appoint La Rioja Province Leader

PY2706023691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0131 GMT 27 Jun 91

[Text] Buenos Aires, 26 Jun (NA)—A high-level source from the Government House has reported that the Argentine Government tonight decided to intervene in the La Rioja provincial executive branch and has ordered that Carlos Alderete, leader of the Light and Power Union, will govern the province until the upcoming election.

The source said Interior Minister Julio Mera Figueroa will make a formal announcement tomorrow "after arranging some final details."

Bolivia

Argentine President Arrives on Official Visit

PY2706012191

[Editorial Report] La Paz Television Boliviana Network in Spanish at 2226 GMT on 26 June begins eight minutes of coverage of Argentine President Carlos Saul Menem's arrival at the El Alto International Airport. The camera shows the two presidents, accompanied by high-ranking Bolivian and Argentine officials, including Argentine Foreign Minister Guido di Tella, listening to the two national anthems.

The camera then shows the two presidents walking side by side and reviewing the Colorados of Bolivia Military Unit. The announcer gives details of the official agenda, the highlights of which include: working and private meetings on 27 June at the presidential residence and at the Titicaca Lake where they will lunch with the presidential delegations, followed by a special session of the National Congress that will begin at 1830. On 28 June, the two presidents will sign a joint declaration on trade and economic relations, the sale of Bolivian gas, and integration at the subregional and Latin American levels. The presidents will also analyze the two countries position regarding the industrialized countries.

The announcer reports that the Bolivian and Argentine foreign ministers will draft a joint declaration on 27 June and review bilateral treaties.

At 2332 GMT, a camera shows the two presidents receiving greetings from Bolivian officials who went to the airport to welcome President Menem. Coverage ends at 2233 GMT.

Paz Confirms Visit to PRC in Oct 1991

PY2606224591 La Paz PRESENCIA in Spanish 21 Jun 91 p 7

[Excerpt] Bolivian President Jaime Paz Zamora yesterday reaffirmed that he will visit the PRC in October 1991. The invitation was extended to him in 1990 by the PRC Government. Bolivian Ambassador to the PRC, Carlos Bohrt Irahola, stated yesterday: "The president has made this decision and we will officially announce it from the Bolivian Embassy in Beijing."

Bohrt said that the task of reestablishing diplomatic relations with the PRC "has been very difficult because there has not been an ambassador there for almost two years. The results, however, are positive," he said.

Bohrt was at the Government Palace at noon yesterday to present a report to the president and to set the date for the trip. Moreover, they approved the agenda of meetings that will be held with the PRC president, and to review the documents that will be analyzed during the meeting.

The Bolivian Embassy in Beijing "has prepared an agenda and some binational agreements within the framework of bilateral cooperation" and is involved in regularizing current basic agreements. The Bolivian ambassador did not reveal the date of the meeting nor details of the agenda.

Sino-Bolivian relations were severed in 1987, following the discovery of a "passport affair" in some important PRC cities. After an official investigation, a report was handed passed to the National Senate, where it was pigeonholed. [passage omitted]

Brazil

Malaysia's Mahathir Arrives, Meets Industrialists

BK2606072791 Kuala Lumpur BERNAMA in English 0547 GMT 26 Jun 91

[By Abdul Rahman Sulaiman]

[Text] Rio de Janeiro, June 26 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed has called on Brazilian industrialists to grab investment opportunities now available in Malaysia by setting up their manufacturing base in the country. He said they should do so not only to cater for the Malaysian market but also the regional market.

Malaysia was located in the heart of the fast-growing Asia-Pacific region and offered an attractive location for Brazil to expand its economic relations with the region, he told an investment seminar organised by the Rio de Janeiro Commercial Association here Tuesday.

Dr. Mahathir and members of his delegation, comprising several senior ministers and officials, arrived here early

Tuesday from Santiago, Chile, on the second leg of his South American tour aimed at enhancing trade with South American countries.

A 70-member business group is also accompanying the prime minister.

Dr. Mahathir said industrialists in Brazil, South America's largest economy, backed by the country's sophisticated industrial base, were well placed to look at investment opportunities in Malaysia. He also explained the East Asia Economic Group (EAEG) which he conceptualised.

He said the EAEG's objective was to promote economic cooperation among East Asian countries to pave the way for a more open multilateral trading system.

Besides being a collective forum within the region to enhance trade and investment, the group would also be consistent with the General Agreement on Tariffs and Trade (GATT) but it would not be a trading bloc, he added.

"The EAEG will not only be beneficial to countries in the region but also those outside the region through the potential trade-creating effects", he said.

As a developing country, Malaysia strongly supported a more liberal international trading system as reflected in its efforts to liberalise further its own import regime consistent with development needs, he added.

Such liberalisation would take the form of tariff reduction and deregulation in economic activities.

The prime minister will leave for Sao Paulo on Saturday before winding up his tour with a visit to Argentina.

Government To Appoint Ambassador to South Africa

PY2706024691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 91 p 4

[By Teresa Cardoso and Mauricio Correa]

[Text] Brasilia—Brazil is preparing to modify its diplomatic relations with South Africa. The Foreign Ministry is planning to appoint an ambassador to South Africa after black leader Nelson Mandela's official visit to Brasilia in July. According to Foreign Minister Francisco Rezek, the Brazilian Government's decision was prompted by the political opening and racial integration promoted by the South African Government.

"Even Black African countries such as Kenya, which has lifted restrictions on sports competition with South Africa, are realizing that changes are taking place in South Africa," Minister Rezek said.

The minister pointed out that Brazil has never suspended regular commercial flights between Rio de Janeiro and Johannesburg. "In view of the restrictions of other countries and the prohibition on direct flights from South Africa, South Africans traveling to the United States have frequently used Brazil as a stopover point," Rezek explained.

According to Rezek, Brazil is planning to appoint Luiz Vicente Pimentel ambassador to Pretoria with the rank of minister second class. Pimentel, a former Itamaraty spokesman, has been in Tehran for a few months. "This would be a step forward in our relations because although South Africa has an ambassador in Brasilia, we only have a secretary in Pretoria," Rezek said. He added: "Things are happening very fast in South Africa. We have a vacant ambassadorial position in Pretoria, but we will fill it after Nelson Mandela's visit."

According to Rezek, Mandela's image was not affected by the criminal trial against his wife Winnie, who was charged with involvement in the kidnapping and murder of a South African youth.

For 30 years, Brazil's relations with South Africa were rather cold, with Brazil giving priority to its relations with Black African countries. The current changes began to take place after the abrogation of the apartheid law and the resulting normalization of South African relations with the international community. "This new understanding between Brazil and South Africa is a natural result of the exchange of correspondence between Presidents Collor and Frederic de Klerk," Rezek said.

Chile

'Extremists' Force Station To Broadcast Message

PY2606221791 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Jun

[Text] An extremist group, which identified itself as the Allende Lives Commando [Comando Allende Vive], this morning broadcast a political declaration demanding the immediate release of all the so-called political prisoners.

The extremist group, which allegedly includes a woman, barged into the studios of Radio Cien at 2248 Bernardo O'Higgins Avenue. After surprising and overpowering the station's personnel in the entry hall, the group entered the studio where they forced the operators at gunpoint to broadcast a recorded message demanding the release of the political prisoners.

Having done that, the extremists painted political graffiti on the studio walls and fled.

While this was taking place, the rest of the radio station personnel remained locked inside a bathroom.

Interview With New Leftist Party Leader

PY2706015891 Santiago ANALISIS in Spanish 3-9 Jun 91 p 11

[Interview with Antonio Leal, secretary general of the Leftist Democratic Participation movement, by unidentified ANALISIS reporter; place and date not given]

[Text] [ANALISIS] How would you define the Leftist Democratic Participation [Participacion Democratica de la Izquierda—PDI] movement?

[Leal] It is an alternative to the current leftist forces. We are the result of a crisis broader than the communist crisis. We are the result of a crisis in the left and in the participation of people in the Chilean process and others being experienced in the world. The fall of the real socialist regimes has meant the end of a social model and an era. We are establishing the PDI, as a movement, with the conviction that an answer has ceased to exist, although the many questions about the development of society and the end of injustice continue to exist. Therefore, we must construct a culture that can overcome the parameters of socialist culture.

[ANALISIS] Doesn't that seem a little ambitious?

[Leal] No, because we believe that this is a collective reasoning, an open search by all. As former Communists, we are in a privileged position to ensure that our renewal is very profound. We know the limits of the culture that must be overcome to recover elements of a Marxism that is not self-sufficient or renewed, a Marxism which, linked to other cultures, can contribute to creating a new philosophy of metamorphoses and changes resulting from democracy, life, and nonviolence.

[ANALISIS] Do you maintain the ideological definition of Marxists?

[Leal] Our movement does not follow only Marxism. We define the PDI as a searching multicultural movement, a collective center of reasoning that creates answers and projects that contribute to the renewal of the left as a whole and to outlining its position within the transition process.

[ANALISIS] How can that be done now that the left is dispersed and atomized? Do you believe you are being called to serve as the vanguard of this process?

[Leal] No, we want to contribute as a movement with characteristics beyond those of a simple party. This type of movement cannot be evaluated on the basis of the forces it can gather, but rather on the ideas it succeeds in activating. The renewal of the left is part of the modernization process, particularly because there is a close relationship between participation and the left. One of the restrictive elements in the current process is that Chile has just ended a dictatorship and is living in a nonideological democracy. The entire process has taken very long and society has changed a great deal but the parties, especially the leftist ones, have changed less than the actual situation has.

[ANALISIS] Is the Socialist Party [PS] included in this diagnosis? A group from the former Arco [Communist Renewal Assembly] has joined the PS.

[Leal] We believe that the PS's renewal process is very important because it has consolidated in most of the left the idea that democracy is forever. This process, however, like that of the PPD [Party for Democracy] and other leftist parties, must be accompanied by deliberation and consensus among the whole left and the progressive sectors. Currently such a consensus can be found not only among the political parties.

[ANALISIS] Will you finally join the Coalition of Parties for Democracy? Under what conditions would you join?

[Leal] We want to have close ties with the Coalition of Parties at this time. We will offer proposals and point out things we believe to be obstacles to the transition. We believe, for example, that social protagonism is seen as a risk in some sectors of the government and the Coalition. A transition process cannot be based only on the moral courage of the president of the Republic. We still have to discuss, however, whether we will establish these close ties from within the Coalition or from outside it.

[ANALISIS] Is the Communist Party of Chile one of the parties with which you will work?

[Leal] We will work mostly with all the democratic leftist parties, with the parties willing to contribute to the fulfillment of the Coalition program and willing to renew themselves.

[ANALISIS] The impression you give is that you want to do everything again...

[Leal] We believe that in the left practically everything must be done again. One cannot be a socialist and a member of the left unless he or she has the courage to begin everything again. What we want to do is to honestly contribute to creating this courage.

Colombia

President Gaviria Discusses Escobar Jail, Trial

LD2106233191 Paris Antenne-2 Television Network in French 1800 GMT 21 Jun 91

[Excerpt] [Announcer Henri Sannier] Now to Colombia, where public opinion welcomes with a certain satisfaction the surrender of Pablo Escobar, who is deemed to be the main cocaine baron in the world. Late this afternoon, we learned that Pablo Escobar's elder brother also surrendered to justice. Events are gathering pace, but observers believe that drug traffic will go on nevertheless. In a few minutes, Colombian President Cesar Gaviria will answer our questions from Bogota, but before that, the latest on this affair.

Many questions are asked about Pablo Escobar's surrender. More details now with Jean-Marc Illouz: [passage omitted]

[Sannier] President Gaviria is with us on a live link for this news bulletin. Good evening, Mr. President, and thank you for giving us this exclusive interview. Moreover, it is the first time you have spoken in public since Pablo Escobar was arrested 48 hours ago [as heard]. So, the first question: Mr. Escobar is in jail, but many think that you negotiated his surrender: He selected his own jail; there was no extradition; and he is apparently benefiting from a preferential regime.

[Gaviria, in Spanish with simultaneous French translation] No, I believe that these are rumors and I must say that they are totally groundless. It is in fact a common prison with a top security compound, and all measures were taken for his imprisonment. Obviously, as in all jails, there are installations for entertainment—this is also the case in French jails. Well, that is what can be said about it.

[Sannier] Mr. President, a diplomat who wants to remain anonymous believes that the key to the bargaining, if bargaining there was, might be the repatriation in Colombia of the funds belonging to drug dealers. Apparently, it weighs much more than American aid these days.

[Gaviria] No, it was never mentioned during the talks we might have had with the large repression agencies and the lawyers. These talks were only about problems concerning the personal safety of this dealer. We did not mention peace or repatriation of funds. Absolutely not!

[Unidentified speaker] What measures will you take to prevent Escobar from bribing his trial judges, as he certainly intends to do?

[Gaviria] We have strengthened our judicial system, and it is a challenge for our justice to have the possibility to judge Escobar and other dealers according to legal rules. It is what would have happened in France. I believe that we enforce the law. There is a certain number of constraints which prevents this trial from taking place for at least a year and in particular to avoid the kind of bullying to which our judges are exposed. For instance, the name of the judge will not be known so that we can fight as efficiently as possible the usual intimidation methods encountered in drug trafficking.

[Unidentified speaker] Mr. President, according to our sources it seems that Pablo Escobar intends to plead not guilty. Can you imagine that Pablo Escobar might be freed and cleared of all suspicions, of all charges of which he is accused?

[Gaviria] What worries me most is not what you are suggesting, but before everything that he pays for the crimes that he committed, that an exemplary justice comes out of that trial, and that Colombian justice comes out of it reinforced, strengthened so that the struggle against the drug cartel becomes more efficient, and that people charged with so many crimes really pay for what they have done.

[Sannier] Mr. President, one last question. In your country, as you know, hundreds of thousands, maybe millions, of peasants make a living from cocaine because there is no other way in the country. How can they be convinced to change? Do you expect something from European countries?

[Gaviria] I believe that this is more the problem in Peru. I believe that in Colombia this is more a dealers problem than a farmers problem. I believe that on the international level, each country must face its responsibilities, and I believe the whole of the international community has to face not only drug trafficking but also the chemical [word indistinct] trade, weapons trafficking, money laundering, and so on. So this is an extremely complex question which requires a multilateral answer which needs to be much better coordinated than it is today.

[Sannier] Mr. President, thank you for answering our questions live. Thank you and good evening.

Note From Escobar on National Reconciliation

PA2606125591 Bogota Radio Cadena Nacional in Spanish 1158 GMT 26 Jun 91

[Text] Taking advantage of the fact that a worker had to enter Envigado Jail, our comrade Juan Fernando Munoz sent a written message to Pablo Escobar Gaviria asking him his opinion on the best way to attain national reconciliation. A few minutes later, Juan Fernando received the following note, written, signed, and fingerprinted by Pablo Escobar Gaviria:

Mr. Juan Fernando Munoz, reporter

Radio Cadena Nacional

I received your note dated 25 June in which you ask me a question about how I believe national reconciliation can be attained. I believe that all the parties in the conflict must be approached and their reasons for fighting and their demands heard. Everyone must be filled with very good faith and, of course, a strong spirit of sacrifice and desire for peace because peace is the most precious treasure to man. Having lived through war, I know the meaning of peace. Talks lead to clarity; consequently, when clarity does not exist there cannot be peace.

Cordial greetings,

Pablo Escobar Gaviria

Villa de la Paz,

Envigado, Colombia,

25 June 1991

Escobar Gaviria's Surrender Viewed

PA2606174991 Bogota EL NUEVO SIGLO in Spanish 21 Jun 91 p 4

[Editorial: "Escobar Is in Prison"]

[Text] Father Garcia Herreros was not on the wrong path. Many people had believed that his television statements and occasional scolding were illusory, too pretentious, and even crazy, but it happens that truth was on the side of this prestigious and eudaemonistic priest who, with spiritual toil, was able to convince Pablo Escobar Gaviria to subject himself to the law for the sake of society and for his own sake, since he would be better off surrendering than permanently trying to evade the authorities. Apostolic teachings succeeded where police persecution and judicial severity had definitely failed.

President Gaviria and the minister of justice agreed to the mediation by the director of the "Minute of God" television program within the framework of the flexibility promoted by the government—a process in which the minister has been especially interested and which has already produced the results that are now becoming known. The surrender of Pablo Escobar—who is now in the Envigado prison, regardless of whether this is a one-star or a five-star establishment—is a specific result of this government policy and of the goodwill work of Father Garcia Herreros. The boss of the Medellin Cartel is now at the disposal of Colombian law awaiting trial for the crimes with which he has been charged.

The voluntary surrender of Escobar will not immediately result in the country's pacification. As Constituent Assembly President Alvaro Gomez Hurtado has correctly stated, this is "part of the peace process aggregate." Much remains to be done. Justice, especially, must recover and take full charge. To achieve this, the National Constituent Assembly is reforming the nation's judicial system. The Assembly's objective is to make this system more efficient, to provide it with tools that will allow it to function more expeditiously, something that it cannot do now because of the burden of pending cases it is presently supporting and which it will not be able to resolve unless emergency measures are approved and extraordinary systems are created.

With Escobar already at the disposal of judges, it is not immoderate to emphasize that terrorism is one kind of crime and drug trafficking another. Even if these two crimes are perpetrated in a complementary fashion, they can be treated and repressed in very different ways. The full weight of the law must fall on terrorism. The degree of difficulty in eliminating illegal drug trafficking is different. As long as drugs can be sold, in the United States and other nations, producing huge profits, it will not be easy to eliminate drug trafficking. As long as consumption has to take place in the gloomy web of clandestine life, it will not be easy to put an end to the violence generated by competitors. A big drug trafficking magnate may be behind bars, but new bosses will emerge. They will be lured by the possibility of getting immensely rich, and as soon as they find themselves being sought and their ambition being checked, they will take the path of physical attacks on the authorities and whoever may try to get in their way. The imprisonment of Pablo Escobar will not stop the arrival of drugs for sale in U.S. city streets. This is why Colombia, whose country and people have died in the relentless war, should be heard by the international community to produce a price control plan on a world level, with the cooperation of organizations charged with preventing drug addiction, so that the price reductions will discourage clandestine producers and businessmen.

It would be very useful to establish the responsibilities of those who supply the materials required by the drug traffickers' industrial process. Those materials come from countries that insistently urge our nation to prevent the exporting of drugs. There is no convincing evidence that the shipment of these materials is being obstructed or punished by the authorities.

With regard to the influence that the imprisonment of Pablo Escobar will have on the necessary and wished for public peace, assessments must be moderate, but optimistic. A very important step has been taken because governmental prudence has permitted it. This prudence must be directed at the various fields where violence has unfortunately developed. These are hopes that must be nourished by people with good character.

ELN Leader Accepts Father Garcia's Invitation

PA2606194591 Bogota Inravision Television Cadena 1 in Spanish 1732 GMT 26 Jun 91

[Text] A letter that priest Manuel Perez, leader of the National Liberation Army [ELN], addressed to Father Rafael Garcia Herreros has been made public in Caracas, where the peace talks between delegates of the Colombian government and the so-called Simon Bolivar National Guerrilla Coordinating Board [CNGSB] were suspended until 15 July.

The ex-priest turned guerrilla leader has accepted the invitation to talk extended by the Eudist priest. Where and when Father Garcia Herreros would initiate this new effort for the nation's pacification must now be set.

In a communique released in Caracas, Perez, one of the ELN's top leaders, answered Father Garcia Herreros's request a few days ago for an eventual meeting to seek peace with the guerrillas. In the communique, Perez asked Father Garcia Herreros to read the letter on his program "God's Minute." This is one of the letter's most significant paragraphs: As CNGSB delegates, we have participated in the Caracas talks. We sincerely wish that Egypt's plagues shall not be necessary for God's chosen people, Colombia, to live in dignity. To attain this purpose, many hardened hearts must be converted. Reverend Father, I hope to talk to you over the radio when circumstances permit. I hope to meet with you so

that you and I, after expressing with our hearts what we both feel, together can take to a common altar an offer of peace with social justice.

[Begin recording] [Garcia Herreros] I believe these kind words and this completely new stance of Father Perez are extremely beautiful. This is a Christian stance on dialogue, full of promises.

[Reporter] Father, where and when would this meeting be held?

[Garcia Herreros] I do not know. I will wait for him to suggest the place. We might meet by the Catatumbo River, at Gabarra, anywhere in Colombia. We could sit down to talk and read the Bible, as he says, in any lowly hut.

Israeli 'Mercenary' Claimed Hired by Government

PA2706043991 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 27 Jun 91

[Passages within quotation marks are recorded]

[Text] The names of Yair Klein and the Israeli mercenaries who were once active in Colombia have resurfaced. The ELN [Army of National Liberation] insists that Klein was hired to provide security along the Cano Limon Covenas oil pipeline.

[ELN leader Francisco Galan] "Six billion pesos were invested to hire a huge security group that was directed and led by Yair Klein. Mr. Guillermo Perry was involved in that transaction as well as former Defense Minister Samudio Molina."

Based on this, ELN guerrilla leader Francisco Galan today asked in Caracas that the government of former President Virgilio Barco be brought before a public trial over the presence the Israeli mercenary Yair Klein in Colombia. However, the member of the Guerrilla Coordinating Board refused to present any evidence during the dialogue in Caracas.

Meanwhile, former Mines and Energy Minister Guillermo Perry, who is a member of the National Constituent Assembly, flatly denied today in Bogota the charges raised by Galan.

[Perry] "I do not have the slightest idea how in the hell Mr. Klein entered Colombia. However, obviously this had nothing to do with matters under my control, and much less connected to protecting the Cano Limon Convenas oil pipeline."

However, the former minister admits an Israeli company that specialized in security did present an offer [five-second break in reception] but was under surveillance during a special plan that cost 3.5 billion pesos. However, no foreign company, much less any Israeli mercenaries, participated in this plan.

[Perry] "A contract was signed between Ecopetrol [Colombian Petroleum Enterprise] and the Defense Ministry so that the Defense Ministry would be able to provide the equipment, helicopters, and additional men needed for guarding all the oil installations, including the oil pipeline."

CNGSB Frees Hostages; Promise to Government

PA2706040991 Madrid EFE in Spanish 0020 GMT 27 Jun 91

[Text] Bogota, 26 Jun (EFE)—The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) today set free two sisters, Natalia and Olga Sofia Gomez, who are the first hostages to benefit from that organization's promise to release the people it is holding, including several soldiers.

The Gomez sisters were held by the Revolutionary Armed Forces of Colombia (FARC) for three months. The CNGSB comprises the FARC, the Army of National Liberation, and a small dissident faction of the Popular Liberation Army .

The freed women, who carried a message from the rebels, were kidnapped in January by a group of common delinquents and later "rescued" in March by a FARC commando unit that held them for three more months.

Natalia and her sister Olga Sofia, a legal secretary of the National Liberal Directorate, were kidnapped by their first kidnappers when they were lured with the excuse of arranging the release of their father, who had been kidnapped by the FARC.

The two sisters remained captive for two months with the criminals, where they learned that their father had been released eight days after their kidnapping, until they were "rescued" by the FARC.

The FARC turned the Gomez sisters over to Constituent Assembly member Alvaro Leyva in a rural area of Caqueta Department, in the southern part of the country. From there, they traveled by helicopter to Neiva, capital of Huila Department.

Olga Sofia Gomez stated that it was a "gesture and a symbol of goodwill from the rebels who now search for a political solution to the problem of the insurgent's violence."

In their message to the public, the guerrilla movement said that "the southern bloc of the FARC-EP [Poor Peoples Army] reports that on 26 March 1991 combined troops of the XIV and XV Fronts rescued sisters Natalia and Olga Sofia Gomez who were being held captive by extortionists."

The message adds that the group of delinquents "had been carrying out all sorts of crimes in the name of our organization in the Caqueta and Huila Departments."

"We initially intended to return them to their home, but two of the captured delinquents said that their family

was involved in the financing of paramilitary groups in Huila Department and the Mid-Magdalena region," explained the note.

"While the veracity of the criminals' claim was investigated, a peace tax was demanded from their family as an essential condition for the liberation of the detainees," adds the message.

The message states that "today we have confirmed the honor of the detainees as well as that of their family, and have decided to set them free" and points out that "no money or any other assets were received in exchange."

Alvaro Leyva praised the CNGSB's attitude of freeing the hostages and pointed to the need to form a commission to clarify these kidnappings in Colombia, since the CNGSB is blamed for approximately 200 kidnappings, but it only accepts responsibility for a few of them.

The second-in-command of the FARC, Alfonso Cano, who with other guerrilla leaders met in Venezuela with delegates of the Colombian Government, requested last week the formation of such a commission to aid in the hostage liberation process.

Ecuador

* Deputy Cites 'Clear' Money Laundering Signs

91WD0855A Guayaquil EL UNIVERSO in Spanish 2 Jun 91 p 3

[Text] Quito—Deputy Fernando Larrea Martinez, chairman of the parliamentary committee that is investigating the laundering of money derived from narcotics trafficking in Ecuador, called on Eduardo Valencia Vasquez, general manager of the Central Bank, to provide explanations on dollar transactions in the private financial system in the country. He said: "If he fails to do so, he will be identified before the Ecuadorian people as one of those engaged in laundering narcotics dollars."

This view was expressed by Larrea Martinez when he commented on the publication of total transactions in dollars in the private sector during the last four months of 1990. He compared the information for 1990 with data for 1989.

Figures

Larrea Martinez said that it is strange that, whereas in 1989 dollar transactions in the private sector amounted to $317.6 million, in 1990 this figure amounted to $592.2 million. Meanwhile, Ecuadorian public opinion knows that our economy is in recession and that there is no export boom.

Laundering of Narcotics Money

He added that, as far as we are concerned, the reasons for this increase in the value of transactions in dollars in the private sector lie solely in the fact that Ecuador during 1990 was a major area for laundering dollars derived from the narcotics traffic.

He underlined the fact that these were the reasons why Valencia Vasquez may have repeatedly covered up the information requested by the parliamentary committee in the first phase of the investigation into the laundering of narcotics dollars in Ecuador.

He stated that the work carried on by the committee had brought out the fact that during the final quarter of 1990 dollar transactions declined in the private sector, including banks, financial entities, and foreign exchange institutions.

He revealed that, in effect, whereas in August 1990 $67.7 million in dollar transactions took place, in September 1990 these activities suddenly fell to $22.2 million. In October they rose to $31.3 million; in November they rose again to $32.5 million; and in December they declined to $30.3 million.

Fear Among the Money Launderers

Larrea Martinez said that this noticeable decline in buying and selling operations in the private sector involving U. S. dollars had reflected fear among the money launderers that they would be identified as being involved in this illicit activity. Alternatively, he said that Valencia Vasquez might have been manipulating the figures, which would be a very serious matter.

He recalled that the parliamentary committee had every right to ask for the publication of the information which recently appeared in the statistical bulletin of the Central Bank on 15 May 1991.

He said that in the committee's first report, made public in December 1990, it estimated that during 1990 dollar transactions totaled about $700 million, which worked out to a monthly average of $60 million. However, the committee did not take into account the fact that during the last four months of 1990 there was a sharp decline in the level of dollar transactions.

He pointed out that the laundering of narcotics money was particularly evident in 1990, if we consider that in 1987 transactions totaled $186.7 million; $271.5 million in 1988; $317.6 million in 1989, and $592.2 million in 1990.

Bank Manager Should Explain

He concluded that he thought that the general manager of the Central Bank of Ecuador should explain this situation to the country. If he fails to do so, he will be identified before the Ecuadorian people as one of those engaged in laundering narcotics dollars.

* Antidrug Agency Lacks Enforcement Capacity

91WD0855B Guayaquil EL UNIVERSO in Spanish 28 May 91 p 6

[Editorial by EL UNIVERSO staff: "Narcotics Trafficking and the CONSEP"]

[Text] CONSEP [National Council for the Control of Drugs and Psychotropic Substances] is a body established by the new Law on Narcotics and Psychotropic Substances. When the Dinacontes [National Directorate Against Illicit Drug Trafficking] was abolished, CONSEP was established, although its weak point is its lack of authority to arrest and investigate.

CONSEP is almost an organization without power, whereas it should play a noticeable, executive role, since narcotics trafficking activities are growing in our country.

Present developments are becoming increasingly serious since it appears that alleged acts of vengeance are being carried out under contracts for murder as, in some cases, has been characteristic of Mafia type activity.

As our country is a center for certain activities related to the narcotics traffic, it is appropriate to strengthen national security with legal resources to help government departments working to control such activity.

That is why a draft bill has been introduced to improve the way in which CONSEP functions. Action on the bill has been assigned to the Committee on Civil and Criminal Law of Congress.

However, we propose that the bill presented in Congress should cover matters of primary importance to give legal substance and executive power to CONSEP.

The country remembers that Dinacontes had executive powers to carry on its activities. Since it disappeared, to the surprise of the nation, the department replacing it should also have trained personnel, legal support in every sense, and, naturally, the means of making arrests and conducting investigations.

The personnel who work for CONSEP must be specialized and have the authority to do their job, on the basis of what is right and unquestionable, professional instincts.

The shield which will protect CONSEP must be the integrity of its individual employees. However, due to the scope of the activities which are creating insecurity in Ecuadorian society, the manner in which CONSEP operates must be well thought out. In this way its activities will support the public desire to reduce the expansion of the narcotics traffic and provide the state with security in the way in which it conducts its business.

It is necessary to make changes in the new Law on Narcotics and Psychotropic Substances so that CONSEP will be included among the institutions which have the power of arrest and investigation.

The experience which has been accumulated so far supports strengthening the state institutions which provide protection to society. For this purpose they should be set up in the most effective way.

Paraguay

Executive Branch Appoints State Council Member

PY2606232991 Asuncion NOTICIAS in Spanish 26 Jun 91 p 11

[Summary] The executive branch has appointed lawyer Cesar Caceres Alcaraz as a representative of the labor sector before the Council of State. The executive branch reports that Caceres Alcaraz, who replaces Enrique Benitez, was appointed in keeping with a note submitted by the Paraguayan Confederation of Workers under Article 189 of the Constitution.

ANR Leader Launches Presidential Candidacy

PY2606232391 Asuncion HOY in Spanish 26 Jun 91 p 10

[Excerpt] During a news conference at his residence, Enrique Riera, an ANR [National Republican Association, Colorado Party] board member and member of the "democratic" faction, launched his candidacy for the presidential elections to be held in February 1993. Although several ANR leaders attended the news conference, the leaders of the Democratic Alliance, the faction to which he belongs, were not present with the exception of Bernardino Cano Radil. [passage omitted]

Peru

Shining Path Kill Civilian, 3 Policemen

PY2606171291 Madrid EFE in Spanish 0244 GMT 26 Jun 91

[Text] Lima, 25 Jun (EFE)—It was officially reported in Lima today that three policemen and one civilian were murdered by presumed Shining Path terrorists in a locality in the Peruvian department of Puno. On 23 June, Sergeant Jaime Carhuapaza, soldiers Jose Herrera and Cesar Borgues, and civilian Demetrio Mamani were taken to Huatasane District by about 24 Shining Path terrorists after the policemen's vehicle was intercepted on a highway.

The terrorists murdered these people with shots to their heads. This was done in the presence of local townspeople on the district's parade ground, according to the state news agency ANDINA, which cited remarks by regional prefect (civilian governor) Gregorio Cama. Cama reported that he had received reports that the subversives carried out their action disguised in police uniforms. He added that the three murdered policemen were stationed at the San Juan del Oro Police Station and were going to Huatasane for their day off.

Army Says 2 Soldiers, 65 Rebels Die in Shootout

PY2606183791 Madrid EFE in English 1757 GMT 26 Jun 91

[Text] Lima, June 26 (EFE)—Sixty-five leftist guerrillas and two soldiers were killed in a two-hour jungle battle in northern Peru that spilled into the streets of a nearby village, the Army has reported.

The clash occurred Tuesday when the Army thwarted an assault by some 130 Maoist "Shining Path" rebels on a garrison in the northern department of Juanuco, according to Army Col. Augusto Salvaverry, cited in the Lima daily EL COMERCIO on Wednesday. Fighting was so fierce that it raged through the streets of the nearby village of Aucayacu where villagers locked themselves into their houses to escape the flying bullets, Salvaverry said.

After the shootout, the streets were littered with corpses, he said.

At the weekend, President Alberto Fujimori handed over 500 rifles to peasants in a move designed, he said, to help the civilians protect themselves from leftist rebels.

More than half of Peru's 22 million inhabitants live under a state of emergency imposed by the government in areas where the Shining Path and the leftist Tupac Amaru Revolutionary Movement are active.

Official Status of Drug Trafficker Denied

PY2606172291 Lima Radio Nacional del Peru Pachacutec Network in Spanish 1200 GMT 26 Jun 91

[Text] Carlos Torres y Torres Lara, prime minister and foreign minister, has publicly praised the national police for not allowing false government officials to deceive them and for acting in accordance with the law.

Reaffirming that William Vargas Mori, who was detained with drugs, is not an adviser to the Council of Ministers president, Torres y Torres Lara said no government officials have privileges that allow the introduction of illegal merchandise into the country or violation of the law.

The Foreign Ministry had previouly denied in a communique that Vargas Mori, who was detained with drugs, is an adviser to the Council of Ministers president.

Spain To Continue Food Donations During 1991

PA2606192391 Lima Panamericana Television Network in Spanish 1200 GMT 25 Jun 91

[Text] The food donation granted to Peru by the Spanish Government will continue during 1991, with the expected arrival of 4,000 metric tons of wheat equivalent to more than $1 million.

The announcement was made by Spanish Ambassador to Peru Nabor Manuel Garcia Garcia after signing the agreement with the head of the National Planning Institute that formalized the donation process which began during 1990. Peru will receive 3,650 tons of flour and 2,000 metric tons of wheat, both totalling $1.2 million.

[Begin recording] [Garcia] Next week another shipment of Spanish donations will be arriving, specifically tailored to the unique needs of Peru, and totalling an additional $1 million. In addition, the shipment includes other special donations such as buses and medical equipment for different medical centers where they might be required.

[Unidentified reporter] Significant Spanish participation in the composition of the support group is expected. Is this the intention of your government? Are there any specific offers or figures that you may discuss?

[Garcia] Yes, as you all know, this a very complex negotiation the requires precise coordination from all the countries that are planning to participate. Approximately a month ago, Spain expressed its intention, its firm decision to participate in the support group, and it is coordinating with the other European countries the exact amount required. Spain had significant economic improvement and will serve as a reference point for the other countries. This involves tying aid to Peru with a proportion of the gross national product of each participating country. In this sense, Spain has publicly announced that its minimum donation will equal that of the country that donates the most in proportion to its gross national product. [end recording]

Report on Conclusion of Operation 'Lash Out'

PA2606195291

[Editorial Report] Lima Frecuencia 2 Satelite Television in Spanish at 1400 GMT on 23 June carries a 15-minute recorded report by the "Contrapunto" program reporter Juan Carlos Capcha on the conclusion of the Peruvian Armed Forces' Operation "Lash Out," launched against the Shining Path and the Tupac Amaru Revolutionary Movement, MRTA, in the Peruvian jungles. Covered in the report is the visit of the Armed Forces Joint Command staff, headed by Air Force Commander General Arnaldo Velarde Ramirez, to various units in the area. During Operation "Lash Out" the soldiers "rid the Tingo Maria-Pucalpa highway of narcoterrorists who had been attacking vehicles." Capcha adds that, with the help of "MI-25 helicopters" that provided support, the ground forces "killed 35 terrorists in the area of Aguaytia." Ground operations uncovered a "typewritten contract that discloses the connection between drug traffickers and the Shining Path." The document calls for "struggle against imperialism, the elections, and the eradication of coca production." The document also includes "prices, weights, percentages, support, guidelines, appointments, and punishment for the purchase and sale of drugs, which were established during lengthy meetings with seven delegations from Huanta, San Martin, and Ucayali." The reporter continues to read the narcotic prices established by the rebels and the drug

traffickers adding that "this further confirms the charges made by President Fujimori and the political analysts: There is an alliance between the Abimael Guzman hordes, Victor Polay, and the Colombian and Peruvian drug traffickers." Capcha adds that during Operation "Lash Out," "communications equipment—loaded with every code necessary to guide light planes for day and night landings on side roads and other air strips"—was seized.

Aired next is an interview by an unidentified reporter with Gen. Velarde Ramirez during his visit to the area. The report does not provide the exact place or date of the interview.

[Velarde Ramirez] "Our visit happily coincides with the successful conclusion of Operation 'Lash Out,' during which the Pucalpa-Aguaytia stretch of the Federico Bazadre Highway was controlled. We are very happy about this. It dealt a strong blow to terrorism and, in an indirect manner, it has also been a hard blow to drug trafficking.

[Reporter] "What did you achieve with Operation 'Lash Out?"

[Velarde Ramirez] "Many important things. One of the most important is the confirmation of what the president stated in a communique he issued after the Rioja and Mayobamba incidents, that is, confirmation that there is an alliance between the terrorists and drug traffickers.

"In addition to the arrest of several terrorists and the seizure of weapons, we have also obtained a document that clearly establishes the link between terrorism and drug trafficking. You can clearly read: Meeting of a Party Delegation With Foreign and Peruvian Drug Traffickers on 9 April 1990.

[Reporter] "Where was the document found?

[Velarde Ramirez] "It was seized along with the rest of the materiel during Operation 'Lash Out.' But this is not all; this is only a piece of paper. In addition, the captured terrorist had this piece of communications equipment. This is not a run-of-the-mill walkie-talkie. This is the type of equipment used to direct planes to specific points. You can see that it has the necessary codes built in to direct a plane. Why would a terrorist need something like this?

"We have the necessary means to confront these activities. We have been working with Tucano planes at the Santa Lucia Base. You already know of the success we have had."

Gen. Velarde Ramirez adds that "the Colombian plane downed on 19 June was not downed by a Tucano plane. It was downed by another type of plane used by the Air Force."

* Congressmen Discuss Counterterrorist Strategy

91WR0229B Lima EXPRESO in Spanish
20 May 91 pp 4-5

[Report on roundtable discussion by Jaime de Althaus and Pedro Salinas]

[Text] In order to discuss the proposed antisubversion guidelines that were sent to the chairman of the Council of Ministers, Carlos Torres y Torres-Lara, by six members of the communications media, EXPRESO met with Senators Felipe Osterling (PPC [Popular Christian Party]), Javier Diez Canseco (PUM [Mariateguist Unified Party]), and Deputy Alberto Valencia (PAP [Aprista Party of Peru]).

[EXPRESO] In the communications media proposal (EXPRESO, 20 April 1991) and the one which EXPRESO prepared (14 April 1991), the appointment of an ad hoc Supreme Defense Council was suggested, to be chaired by the president and whose members would be the ministers most directly concerned and the head of the Unified Operational Command. Could you tell us what you think of this proposal?

[Diez Canseco] The Defense Council concept centers the problem in the military field and subordinates everything that is nonmilitary to a military objective. The idea that pacification—from the state's viewpoint—needs to be handled by the government, and by the political command, is a different concept. This entire discussion is related to the process of militarizing the nation. Peru is undergoing an accelerated militarization. And along with armed violence, social violence and drug trafficking violence, there is state violence. This violence has been on the rise and is becoming institutionalized. Peru is governed largely by political-military commands. The political leadership needs to treat pacification as a problem related to underdevelopment, backwardness, the nation's subordinate status, injustice, unemployment, and lack of services, all of which promote violence. Moreover, it is related to the citizens' participation, and their readiness to deal with the problem politically. I do not believe that Shining Path invented violence in Peru.

[EXPRESO] About the political control of the war. Instead of an ad hoc Defense Council, do you think the entire Council of Ministers should direct strategy?

[Diez Canseco] From the viewpoint of the state, I think so.

[EXPRESO] You do not think a more operational structure is needed?

[Diez Canseco] The proposal which EXPRESO published calls for a Defense Council with a predominantly military composition.

[EXPRESO] No, that is not true. It is an operational command in which nonmilitary authorities would participate and political views would predominate. The

political leadership has to orient the strategy—and not just the military strategy—of all the sectors. The president directs the Defense Council and a civilian heads the Unified Command.

[Valencia] We have to agree on some fundamental things. We all think we have a general idea of what we have to do to pacify the nation. Everyone has his own strategy, his own plan, his own idea. We need to reach agreement on the concepts through a forum in which these things can be studied, and then we can come up with a plan. On this subject, the EXPRESO proposal has made an extraordinary contribution. For the first time, we have a foundation on which to build.

[Osterling] I agree with the idea that the Unified Pacification Command should fundamentally be the Executive's responsibility. I agree with EXPRESO's emphasis that the Defense Council should act essentially through the Executive.

Moreover, I feel that we need to reorient the functions of the Legislative Power, and laws are required. We need an efficient Judiciary. We also need to face the problem of the drug traffic and subversion connection. But all these jobs are the Executive's responsibility. And—as EXPRESO pointed out—this requires a political decision to pacify Peru. This political decision must be made by the President of the Republic. I believe the president has to act directly on this issue, as it is Peru's most serious problem.

[Osterling] EXPRESO's proposal called for a relatively small council, with this council consulting "commissions" which would consist of representatives of the political parties, of workers, educators, unions, etc. That is, subcommittees that can provide information, which can give advice. This is important because the problem is highly complex. Moreover, the most positive thing about the latest remarks by the chairman of the cabinet was his statement that the political decision needed for the government to act does exist.

[EXPRESO] On this point, the chairman of the Council of Ministers proposed creating a Unified Pacification Command to design the strategy; the creation of an Operational Antisubversion Command to handle all tactical and operational aspects; and the creation of a Peace Council which would bring together representatives of all sectors. But five days later President Fujimori said: "The Unified Pacification Command has been functioning for some time." What he was saying by this statement is that the exclusively military strategy is going to continue. Then the minister of the interior said: "The strategy remains the same." So, if we rely on the statements by the president and his minister of the interior, could we not deduce that this is another utopian statement?

[Osterling] I do not think it is utopian. One additional thing has happened, which was seeking delegated powers to legislate on pacification. No government has done that. The PPC is going to give these powers with no strings attached so that the Executive will have no excuses for its actions in dealing with violence and subversion. The pacification of Peru is fundamentally the Executive's job.

[Diez Canseco] This government has no political or moral authority to direct the pacification process, because it has done exactly the opposite of what it proposed. The president would also need a national plan. And there is no plan in Peru with a minimum of consistency which can bring the people together.

There are no grounds for consensus. Moreover, the political measures now being used are increasing the material causes promoting violence, and we are facing a state crisis. There are frequent conflicts between the Executive and the Legislature. The prime minister says one thing and the president something else; unconstitutional and illegal provisions are issued. Finally, the political parties have a credibility crisis. In addition, there is the problem of the government's antidemocratic views in its strategy. Its strategy is a militaristic strategy.

Consensus

[EXPRESO] Senator Diez Canseco, when you speak of a national plan, are you referring to a consensus?

[Diez Canseco] Look, I do not believe we can hope for unanimity. But we do need to define major objectives and ways to achieve them. There will be disagreements, but there should be a certain continuity in working toward these objectives.

[EXPRESO] Maybe there is no consensus about the need to eradicate inflation or to protect campesino production from imports, for example?

[Diez Canseco] But exactly the opposite is happening. Minister Bolona has just announced that he is going to import food. But now there is a surcharge on this type of imports. Are you not in agreement with modernizing and converting the productive system?

[JDC, Jaime Diez Canseco] Yes. We agree and we have been calling for this for some time.

[Osterling] The National Plan is our State Constitution and the economic plan is the market economy. JDC and IU [United Left] criticize Fujimori, but they offer no alternatives.

[EXPRESO] Let us try to focus the discussion on the problem of the antisubversion strategy.

[Valencia] Fine. JDC says that the solution should promote development. Other people think the solution should be strictly ideological. They base their argument on the fact that SL [Shining Path] is essentially a political party. But the important thing is to design a strategy. We need to come up with a plan that still does not exist.

Aprista Proposal

[EXPRESO] Who would prepare that plan?

[Valencia] An assembly in which all sectors of society would be represented. It would not matter if it were crowded. What we need to do should emerge from that meeting. We Apristas [American Popular Revolutionary Alliance members] prepared a plan which contains a number of points. First: the technical people from all the political parties should meet to prepare a national strategy. Secondly: the antisubversion effort should be put in the hands of a civilian commander. Third: the campesino patrols should be armed, so they can defend themselves from terrorists, and also so they will overcome their fear of the FFAA [Armed Forces]. Fourth: we should create military agricultural settlements, so that abandoned areas will be occupied. Fifth: create a large school for campesino leaders, selecting the best people from each community. And there are other points related to the Unified Command with which we agree, the assignment of troops in emergency areas. I do not think arms purchases are at all necessary. All our resources should be used to pay good salaries to our police and soldiers. Our arms are better than the weapons of the the rebel groups.

PUM Proposal

[Diez Canseco] Concerning what should be done about pacification, I want to say the following. First: We need to link the idea and the pacification plan to concepts such as social justice, development and the population's participation. Secondly: and in this I agree with AV [Alberto Valencia]: we should create space or a forum in which we can debate this national plan, in which the peace issue will be vital. This space should be created, but not necessarily institutionalized. One possibility is to hold a forum. If the law creating the Peace Council becomes a reality, that would be the forum. That Council was not restricted to the parties. Third: we need to assume that violence in Peru is necessarily going to require a political solution. So it is important to say that an armed conflict may culminate not only with a truce or negotiations or the military defeat of one of the parties. I believe there are two further possibilities. The first is Lebanonization, with violence spread out and institutionalized. A second possibility is that a third group may defeat the two that are in opposition.

I do not agree with the concept of "defense," since that would mean defending something like the present system. That is why I say we need a plan to improve this imperfect democracy. Fourth: it is necessary to redraft the current strategy. Fifth: the pacification plan must include the participation of the population, not only in the antisubversion campaign, but also in changing the nation.

[Valencia] But to do that we first need to put an end to terrorism.

[Diez Canseco] That is a tautology. Sixth: there must be self-defense, but with real autonomy. The people can not be cannon fodder. We need to strengthen and respect comunnity organization. Seventh: we need to centralize the handling of the problem and the command. Intelligence is unlikely here. The involvement of the SIN [National Intelligence Service] has been detected. Eighth: the FFAA and FFPP [Popular Forces] must have a plan, which they do not have now. Ninth: there must be unrestricted respect for DDHH [human rights].

All this requires redesigning priorities in running the state and priorities in allocating resources. And those who have the most will have to give something up.

If we want to bring about pacification, it is not possible to act while saying one thing and doing another.

[Osterling] I basically agree with what AV and JDC said. The only doubt I have about AV's suggestion is whether we should act through this Assembly or as EXPRESO proposed, through a Defense Council that will be continuously receiving advice through commissions composed of representatives of the media, the political parties, labor, education, etc. That would be more workable, since the responsibility for the nation's pacification does belong to the Executive.

On the proposal to hold forums as expressed by AV and JDC, we know through experience that such forums end up by becoming a place where people seek to gain publicity and recognition, and in the end, nothing gets done. I would prefer smaller outlets for discussion with representative people (politicians, journalists, educators, sociologists, businessmen, etc.).

The FFAA

[Osterling] On the role of the FFAA, I must say that the military mentality cannot remain the same as it has been. We can not continue to think of a possible war with Chile or Ecuador. That is ridiculous. We do not need to keep on buying more Mirage aircraft.

[Diez Canseco] Still, $600 million in foreign debt was authorized for the FFAA.

[Osterling] But it will be used for antisubversion equipment. We can not keep on buying Mirages and frigates. Subversion can not be fought either with Mirages or with frigates.

[Diez Canseco] The ratio: $600 million for military equipment and only $20 million for the social emergency program; it does not seem to me that we have our priorities right.

[Osterling] We agree.

[Valencia] But the social emergency program is not a solution for all our problems. SL is losing the people's support. It has alienated the campesino community because of its crazy behavior. So I feel that conditions are right to turn the violence around, if we take the right action. Unfortunately, some organizations like the PUM and other leftist parties are still being infiltrated by SL elements.

[Diez Canseco] In response to that comment, I must say that the PUM—like other parties—has suffered losses because of SL. The list would be too long to give here. The PUM plan is very far from what SL wants. The PUM proposes profoundly changing the nation and believes in direct action by the people. That is why I do not trust proposals that treat the legislative issue as central. To conclude, I believe the civilian authorities and the regions must take on the responsibility for pacification. The command in the confrontation with violence must be demilitarized.

Political Solution

The ideal thing would be to reestablish the civilian authorities in places where there are political-military commands so that these authorities can take over the political leadership of the campaign. But before this can happen, the principle of the unity of command must exist on a nationalwide basis, with the political leadership, and not exclusively military leadership, predominating.

[Diez Canseco] Right. A political solution is needed. A political solution supposes the possibility of a dialogue with subversive movements. There are forces that could engage in a dialogue and at one time offered to do so.

[EXPRESO] If we compare the MRTA [Tupac Amaru Revolutionary Movement] with SL, which supports "total war," there are obviously some very striking differences.

[Diez Canseco] Even with SL, a dialogue is not impossible.

[EXPRESO] It is hard to imagine SL seeking a dialogue.

[Diez Canseco] There are operational differences in SL's actions. This shows that there are internal contradictions. This issue cannot be forgotten and civilian society—not the state—should start by building bridges. Dialogue is possible and should be planned as part of an overall strategy.

[Osterling] Subversion tries to show that the democratic system is too weak to defend itself; it attempts to generate a climate favoring the interruption of the democratic system by a dictatorship. If a dictatorship were established in Peru—which is not going to happen—those of us who believe in the system of representative democracy would rise up along with seditious groups. That would be a great paradox. Pacification is everyone's job. That must be made clear.

Finally, I want to thank EXPRESO for the proposal it presented to the public on 14 April 1991 and for its participation, along with other members of the media, in preparing guidelines for combatting subversion which were presented to the chairman of the Council of Ministers on 19 April 1991. This is the central issue in Peru, and all Peruvians need to realize this.

* Opposing Terrorist Groups Seek Control of Puno

91WR0229C Lima CARETAS in Spanish
20 May 91 pp 32-34

[Excerpts] The burial of the well known regional deputy who was assassinated by SL [Shining Path] drew thousands of campesinos.

The assassination of the regional deputy from Puno, Porfirio Suni Quispe, on Monday, 13 May in Juliaca aroused an outcry of indignation from his fellow citizens, who knew him through his work as chairman of the Human Rights Committee of the Jose Carlos Mariategui Regional Assembly. [passage omitted]

His wife, Marciana Huaracha de Suni, said he had been threatened on a number of occasions. However, he did not carry weapons or have any protection. His criticisms of Shining Path and his ongoing work for his people's agricultural needs made him a target of the terrorists. In addition, he had recently been appointed to chair a pacification commission for the Mariategui region.

After his appointment, Suni had begun to convene representatives of the Church, religious congregations, institutions interested in the issue in the region, campesinos and workers, well known people and finally, all those who in one way or another could help to develop pacification plans.

After his assassination, the regional assembly's president ordered two days of mourning. The population in general and the campesinos of Crucero, Azangaro and Huancane in particular, turned out in large numbers and repudiated the crime, attending the deputy's burial en masse.

Puno Disputed

This assassination took place just before SL's 17 May "celebration" (day marking the so-called beginning of the armed struggle, that is, of the unleashing of terror). Two weeks earlier Shining Path had gone into towns in the provinces of Carabaya and Sandia, carrying out attacks using dynamite. They also attacked the Macusani police station—although there they were repelled without great difficulties—and the San Rafael mines, where they placed dynamite. Finally, near the key date, they stepped up their harangues, attacks, and raids in various other parts of the Puno area.

Operating within the same regional area, the MRTA [Tupac Amaru Revolutionary Movement] has now begun to dispute control of the territory with its SL enemy. The MRTA has come in through the province of Sandia, with an attack on the San Juan del Oro police station, located on the banks of the Tambopata River—an affluent of Madre de Dios. This is a subtropical area similar to the Tingo Maria areas and with similar coca-producing capabilities, which could be offset, however, by mining the region's gold-containing sands. The MRTA orders in this area are to refuse to pay agricultural debts and to use the money to cope with the critical situation facing the campesinos, and also to strengthen

the patrols to defend themselves against any "aggression by the state and by the big capitalists." For the followers of Polay, the latter are, simply and plainly put, the SAIS [Social Interest Agricultural Associations] and the cooperative businesses that operate in the area.

To cope with this problem, in many of Puno's campesino communities self-defense groups have been organized as patrols, in order to repel raids by either SL or the MRTA. Some even have rifles they carry on their patrols, which are given to them—how times do change—by the Army. Although this step forward deserves praise, it is to be hoped that the military will maintain strict control, in order to keep such a strategic shift from becoming an indiscriminate free-for-all, urged by special interests and conflicts, and so that the weapons will not fall into the hands of the enemy.

* Police Withdraw From Emergency Zone Posts

91WR0229D Lima EL COMERCIO in Spanish
9 May 91 p A11

[Text] The small number of troops and the enormous risks of attack and death they faced is the reason why in recent months withdrawals have been ordered from police outposts in Ica, Huancavelica, Ayacucho and other places in the emergency zone.

The senator from Liberty Movement, Ferrero Costa, a few days ago denounced the fact that at least 51 police substations have been deactivated in those places, leaving the population unprotected.

New Strategy

Ministry of the Interior sources said that these withdrawals are part of a new antisubversion strategy. It has been decided not to provide an "easy target" for terrorist attacks, whose outcome is often tragic, resulting in dead and wounded police officers.

The deactivated police stations mostly belong to the General Police. Each of them had barely six or seven policemen, which made them highly vulnerable to attacks by groups of 100 or more terrorists.

In times of tranquility, these stations fulfilled their role as guardians of public order, but during periods of convulsion they were in imminent danger.

The police withdrew to their respective headquarters, from which they operate as larger stations with the capability to patrol in the "red" areas.

Control To Be Regained

It was learned unofficially that the police forces will retake control of the areas which are now abandoned, with a new reorganization of their forces, in accordance with the guidelines of a new strategy now being coordinated with the armed forces.

But for the time being the residents of these places are complaining about their lack of protection. They say they have no one to turn to to file complaints or to serve as impartial mediators in disputes with neighbors, apart from the lack of protection from terrorist raids.

* BPR Proposes Unification of Leftist Parties

91WR0229A Lima CAMBIO in Spanish
23 May 91 p 16

[Communique issued by the Popular Revolutionary Bloc (BPR); place and date not given: "Notice of BPR's First National Congress"]

[Text] The National Organization Committee of the BPR [Popular Revolutionary Bloc] hereby invites the people of Peru to our National Congress to be held in Lima on 14, 15, and 16 June.

The Congress will be the culmination of the entire process of organic construction and political debate, involving the mobilization of all our militants and the Peruvian people and the preparation of clear proposals directed both to the national left and to all workers' and popular movements.

The BPR National Congress is taking place in a national and international political situation which is highly complex and difficult for revolutionary and socialist forces, in which:

1. Internationally, with the failure of specific models of socialism in the countries of East Europe, with the victory of the most regressive forces of humanity in the Persian Gulf conflict, imperialism is destroying the equilibrium and imposing its supremacy worldwide, developing a strong neoliberal offensive in an attempt to solve its own crisis and trying to extend its economic, political and military dominion.

2. In the national arena, the Fujimori administration is spearheading a harsh all-out attack on our people. The application of the neoliberal policy imposed by the IMF is condemning millions of Peruvians to unemployment, poverty, hunger, epidemics and despair. This treacherous government and its allies are also threatening to allow Yankee military intervention under the pretext of combatting the drug traffic.

3. The traditional left has fallen back and is in a state of crisis. It is now preoccupied with resolving its own internal problems, contradictions and inconsistencies, and is therefore unable to lead an active mass opposition to the government.

4. The popular movement, spurred on by the crisis, continues to fight but its struggles are scattered, sectionalized, and unable—for the time being—to respond in unity and with strength: because of the leadership crisis, for lack of alternatives and plans for action, and because of the rigidity of its central organs.

For these reasons, the BPR, which expresses the aspirations for organization, for struggle and victory of broad popular sectors, is proposing the following objectives for this National Congress:

1. We reaffirm the need for a unique Peruvian revolution, one which is not copied from other revolutions, and the validity of socialism as shown by our history, our culture and our national identity, a socialism based on the principles of justice, equality, solidarity, well-being, and democracy.
2. Working for unity as revolutionaries. Through a new unity of the left, which will be transformed into the revolutionary leadership our people need.
3. Promoting the construction of the Anti-Imperialist Patriotic Front, in which all sectors of Peru longing for a free nation will come together.
4. Correcting all errors and deviations, and acting under new political guidelines, we will turn to the masses, to make them a part of the revolutionary struggle.

Agenda

1. Political-organic status report of the BPR
2. The international political situation.
3. The national political situation.
4. Strategic and programmatic guidelines.
5. Unity of the revolutionary forces in creating a new political movement.
6. Election of the National Executive Committee.

[signed by] Yehude Simon M., President, and Andres Sosa Ch., Vice President.

The Popular Bloc joins in solidarity with the teachers of SUTEP [Trade Union of Education Workers], the health workers, miners, construction workers and with the campesinos, and directs its members to increase their efforts until victory has been won.

We invite the Peruvian people to our opening ceremony on 14 June in the Grau Fairgrounds at 1800.

Mariategui lives in the peoples' struggles!

* San Martin Groups Reject Antidrug Agreement

91WD0848A Lima CAMBIO in Spanish 23 May 91 p 4

[Statement issued in Juanjui on 18-19 May by the United Regional Assembly of the Front for the Defense of the Interests of the People of San Martin (FEDIP-SM) and the Mother Jungle Agrarian Federation (FASMA)]

[Text] San Martin continues to set the example.

While the military occupation is terrorizing the inhabitants of the San Martin region, the 3d and 4th United Regional Assembly of the FASMA [Mother Jungle Agrarian Federation] and FEDIP-SM [Front for the Defense of the Interests of the People of San Martin] were held in the city of Juanjui. The name of this historic event was "Martyrs of the People's Struggle." It was described as an "unprecedented event which has restored the country's dignity," in an editorial published in the national circulation paper NOVEDADES on 21 May.

At this assembly the organized people of San Martin declared their readiness to fight the Antidrug Agreement, to defend their land, and for peace with social justice which will safeguard the lives of our peoples.

3d and 4th United Assembly of FASMA and FEDIP-SM

1. Whereas, on 14 May of the present year President Fujimori issued DS no 100-91-PCM, approving the agreement between the United States and Peru, the Drug Control and Alternative Development Policy.

2. Whereas, despite the proposal of FEDIP-SM, FASMA and other institutions, including the National Parliament, to begin a national debate, as this is a matter of national interest and not the sole responsibility of President Fujimori and his "adviser," Hernando de Soto.

3. Whereas, ignoring these requests, the president of the republic signed the Antidrug Agreement, which was read and discussed in the 3rd and 4th assembly of FASMA and FEDIP-SM in the city of Juanjui on 18-19 May 1991.

4. And whereas, in defense of their lives and national sovereignty, it is hereby agreed:

I. To reject the agreement between the United States and Peru on the drug control and alternative development policy, and demand its revocation, because:

I.1. It was issued in an authoritarian, antidemocratic, hierarchical, coercive manner, without consultation, denying the right of consultation to major population groups and even to the National Parliament.

I.2. It violates national sovereignty and the Constitution of Peru since:

a) It subordinates Peru to the U.S. government's global strategy for underdeveloped countries in conflict, a low intensity war, and applies an integral economic, social and ideological plan calling for military activities in areas of social conflict, converting Peru into a major stage for war and the United States into its interventionist "partner."

b) It places Peru in the international division of labor with a "market economy policy," a neoliberal policy which is destroying not only our national industry and agriculture, but the existing labor force as well, and subjecting our people to the greatest misery.

c) Under the pretext of combatting the drug traffic, it not only covers up the serious problem of foreign dependency and oppression in our country, but it also seeks to "embellish and obscure" the violence used against peoples who are fighting for social change.

I.3. It blackmails the Peruvian people by placing conditions on Peru's international reintegration, and makes economic support from foreign powers contingent upon Peru's signing the Antidrug Agreement.

I.4. It opens up the way for a civil-military dictatorship, by concentrating all power in Fujimori as the prime instigator of the drug interdiction policy in Peru.

I.5. It strengthens the repressive police apparatus and opens up new channels for the indiscriminate persecution and repression of any citizen suspected of drug trafficking.

I.6. The economic proposal does not demonstrate any real intention of dealing with our existing serious problems, since the $60 million offered Peru does not cover the $3 billion in revenues which coca produces in Peru, nor the almost $1.5 billion in the BCR [Central Reserve Bank] from coca production.

II. We hold the administration of Fujimori and his "adviser," Hernando de Soto of the ILD [Freedom and Democracy Institute] responsible for the genocide and human rights violations taking place in Peru after the signing of this agreement.

III. We declare both Fujimori and Hernando de Soto "persona non grata," as agents of U.S. imperialism, as the mentors and signers of the antidrug agreement between the United States and Peru.

IV. We reserve the constitutional right of the peoples of San Martin to rise up in defense of our present constitutional order, national sovereignty, peace with justice, and the lives of our peoples.

V. Without refusing to accept any aid from fraternal countries, we reject all aid that subordinates us to external interests. We therefore declare to the U.S. government that we do not want it to give us a hand, but we do want it to take its hands off us, and respect our people's right to free self-determination.

VI. We join in solidarity with the actions of Comrade Carlos Malpica, and we reject the Senate penalty against him.

VII. We call upon all the peoples of San Martin to strengthen their organizations, primarily their defense fronts and self-defense committees, through their democratic and autonomous peasant and urban patrols, as seeds of the new social order which we are fightimg to construct in response to this decaying society which needs integral and structural change.

VIII. We call upon all coca producers of San Martin to organize the Coca Producers Committee in the San Martin region, raising their banner in defense of this natural resource of Peru, and supporting the proposal for the integral development of the San Martin region.

IX. We maintain the FEDIP-SEM and FASMA proposal to declare free trade in coca; to submit any agreement involving national sovereignty and respect for the people's right to their own self-determination to the regional government and the organized popular movement, so that they may participate directly in planning, execution and supervision.

X. To begin an Indefinite General Strike in support of our demands in response to the signing of the Antidrug Agreement.

XI. To promote a regional, national and international campaign to reject the Antidrug Agreement.

* Ofecod's Total Reorganization Proposed

91WD0848B Lima EL COMERCIO in Spanish 23 May 91 p A1

[Text] A Corpac [Corporation for Airports and Commercial Aviation] commission has recommended to minister of the interior that the Ofecod [Executive Agency for Drug Control] be totally reorganized and that its director, Alfonso Calderon Otoya, be removed.

The minister of the interior, General Victor Malca Villanueva, told this to a Chamber of Deputies committee yesterday. He said these steps will be implemented within the next few days.

The minister discussed this and answered questions for over two hours with members of the parliamentary committee chaired by Deputy Julio Castro Gomez.

During his speech, which members of the media were not allowed to attend, we were told that he gave a detailed report and extensive documentation to the investigating committee, after which Castro Gomez made some comments.

There was some curiosity about the parliamentarian's statement that the minister had described Ofecod as "the best disorganized office" of his ministry, and not as the "most disorganized."

"That description could mean that the disorganization was intentional, designed to cover up all sorts of irregularities and mismanagement," said Castro Gomez.

Another conclusion of the investigation conducted by the ministry of the interior says that "the destination of the resources and assets (furniture, real estate, money, vehicles, jewels) seized from drug traffickers is not known."

"Most of the vehicles have now been scrapped because they were quickly cannibalized," said Castro Gomez, quoting Minister Malca Villanueva.

The minister also distributed copies of over 60 agreements signed in recent years related to the campaign against the illicit drug traffic. These documents contained dates, signatures, objectives and resources.

Uruguay

Navy Frigate Fires at Brazilian Fishing Boats

PY2706004091 Montevideo Radio Carve in Spanish 0000 GMT 27 Jun 91

[Text] The Navy has officially reported an incident that occurred in the past few hours in Uruguayan territorial waters between a Montevideo frigate and two fishing boats flying the Brazilian flag.

Despite repeated efforts to make contact, the two ships began to flee, forcing the Uruguayan frigate to fire

warning shots. Despite the fact that the hull of one of the ships was hit by several shots, both ships managed to reach Brazilian waters.

The official report says authorities noted the ship's license number and name and that the operation was videotaped.

[Madrid EFE in Spanish at 0023 GMT on 27 June in a report on the same incident adds that the two Brazilian ships were engaged in fishing operations "at a latitude of 34 degrees one minute south and a longitude of 53 degrees nine minutes west." The report also notes that the incident occurred shortly after 0654 GMT, that personnel on the Uruguayan frigate could see that the ships had "licenses from the port of Santos" and that one of the Brazilian ships was named the "Primavera VI."]

Venezuela

Political Asylum Granted to Cuban Athletes

PA2606192291 Madrid EFE in Spanish 1732 GMT 26 Jun 91

[Text] Caracas, 26 Jun (EFE)—The Venezuelan Government today granted political asylum to two former members of the Cuban softball team who won the 14th Central America championship held over the past weekend in Venezuela.

Interior Affairs Minister Alejandro Izaguirre announced that Venezuelan President Carlos Andres Perez has acceded to the request for asylum submitted by Hector Torres and Victor Franco, two members of the Cuban team.

The two Cuban athletes left their team on 23 June with the intention of remaining in Venezuela.

* Reasons Behind Declining Exports Evaluated

91SM0345A Caracas NUMERO in Spanish 19 May 91 pp 30-32

[Article by Elinor Gil]

[Text] According to estimates, it is only with great difficulty that Venezuela will export more than $3 billion in 1991. The problem is not one of incentives, but rather of obsolete production, services and communications infrastructure.

In the first quarter of this year nontraditional exports declined sharply, to 45.5 percent of the level of the first quarter of 1990. If between January and March of last year exports totaled $1.071 billion, the first quarter of 1991 saw total exports of only $589 million.

This situation has representatives of both the public and private export sectors concerned, and explanations for this situation vary.

At the official level, both Housing Office Head Roberto Pocaterra and Foreign Trade Institute (ICE) President Miguel Rodriguez Mendoza speak of a rebound in domestic demand, which has affected export production.

This thesis would show in practice that what was exported in 1990 was not production destined specifically for foreign markets but rather only the "cold" leftovers from domestic consumption that had declined in the economic recession. This was discussed a great deal in the middle of 1990, and even former ICE Head Gabriela Febres Cordero ended by recognizing it, indicating that it was not necessarily a negative factor.

Nevertheless, the trend in exports up to the first quarter of 1991 dispelled the "illusion" that Venezuela was truly producing to export.

An example which demonstrates in real life that this is truly the case is cement exports. Last year the construction sector was practically shut down, not only because of the stagnant rate of residential building but also because the construction anticipated in the investment plans was not contracted. All this led to a sharp decline in the domestic demand for cement, which was then directed overseas.

Sales of cement in the first quarter of 1991 increased 16.6 percent over the same period in 1990. Thus domestic production has been diverted internally, and foreign exchange is no longer coming into the country for that very reason.

International Prices

Another factor to take into account, according to official indications, is the decline in price of some of Venezuela's main exporting categories, those constituting strong pillars of nontraditional exports.

This is the case of aluminum, among others. It is not that the volume of exports has decreased, but rather that 1990 prices no longer hold. Cordiplan [Office of Coordination and Planning] figures indicate that the value of aluminum exports in the first quarter fell by approximately $100 million, another factor affecting the total value of nontraditional exports.

This also applies to other mineral exports, which as is well known, are products whose prices fluctuate on the international markets, and which cannot be controlled at the national level.

Steps Forward and Backward

Representatives of the private export sector consulted by NUMERO are pessimistic about the future of nontraditional exports in the coming months.

They base their views on the fact that since the second quarter of 1990 sales in foreign markets have begun to decline, a practical demonstration of the figures from the Central Statistics and Information Office (OCEI).

During the second quarter of 1990 the value of nontraditional exports was $761 million. In the third quarter there was a small rebound, to $786 million, which later fell to $715 million.

Among all these figures what was relevant was the decline in fiscal incentives embodied in the export bonus, which fell from 30 and 15 percent to 5 and 6 percent, holding at that level in the first quarter of 1991.

This is a clear indication that the Venezuelan industrial-productive sector is not yet prepared to manufacture and export overseas without official support.

However, the sources we consulted did not lay the blame for the export decline on the ambiguities surrounding substitution of the export bonus (incentive) by the tax rebate mechanism (drawback), since even if the 5 percent incentive were eliminated, it would be replaced by a tax rebate of identical proportion.

The causes of the current situation in the export sector are deeper and reflect structural problems in the productive apparatus and its still unresolved policies.

In the 1970's and beginning of the 1980's, Venezuela developed an entire industry dedicated to imports. The overvalued bolivar facilitated this, and in most cases it was more profitable to import goods that to produce them domestically.

It was costly, and still is, to produce for export with a production apparatus technologically behind that of other countries. Similarly, raw materials, when they are not expensive, are difficult to obtain.

These reasons remain unchanged, despite the so widely discussed industrial reconversion, which is still "in diapers," with no effective results having been observed anywhere.

All this background is key to the understanding that Venezuela's transformation from an importing country to an exporting one is a desired one. However, the question that has yet to be answered is what are the incentives to invest and export when Venezuela lacks the infrastucture to export to foreign markets (air and sea transport, ports and communications), apart from guaranteeing the minimum basic services required of well-managed production (terrible public services of water, electricity, telephone and communications)?

Thus, neither industrial reconversion nor the privatization of certain public services has occurred. That discourages potential investors who, rightly, seek other countries offering them the necessary infrastructure to invest, produce and export.

Foreign Exchange, Foreign Exchange

In addition to the negative panorama cited above, there is another disincentive for foreign trade: the overvalued bolivar with respect to the dollar.

Already, by the end of 1990 the private export sector was indicating that 50 bolivares to the dollar was not attractive for exporting overseas. In May 1991, a dollar costs almost 56 bolivares, still not attractive since exporters estimate that at the end of 1990 a positive rate of exchange was 60 bolivares to the dollar.

To correct this situation, the Government depends upon "incentives," the export bonuses, which will compensate part of the cost of producing for export.

However, if an export bonus of 30 to 15 percent for the exporting sector was not good for business, what can a bonus of 5 to 6 percent be?

Sources we consulted recognize that ideally there would be a highly developed service and industrial infrastructure to respond to the demanding foreign markets, and thus the State would not have to compensate the producer who, alone, would export efficiently and it would be good business to do so.

However, the aforementioned is the real problem of non-traditional exports in Venezuela, and without well-coordinated medium- and long-term policies the country will continue to be an importer, as some in both the private and public sectors fear.

The fear is that official trade policy (decree 239) is considering annual decreases in customs duties. Currently, the highest rate is 40 percent. Nevertheless, the average rate is 10 percent, when countries such as Chile keep them as high as 15 percent. This, instead of encouraging exports and domestic production to make them more competitive, leads to a return of a "port economy," which occurred in the 1970's when domestic ports were packed with boats loaded with food and even novelty items.

If Venezuela allows low customs duties for the import of foreign goods, has something similar been negotiated for exportable domestic goods? A difficult question, when what is observed is increasing protectionism, especially in Venezuela's largest market for both imports and exports, the United States.

In an effort to improve its situation at the international level, in September 1990 the country entered into the General Agreement on Tariffs and Trade (GATT). But the current negotiations of the agreement, the Uruguay Round, have been frozen precisely because the "big ones," the European Economic Community (EEC) and the United States, are confronting each other on agricultural protectionism, a subject that would not be delicate for Venezuela, but is for other countries in the region, such as Argentina.

Expectations

Representatives of the private export sector have told NUMERO that what is really needed for the nation to emerge from its lethargy and be able to export profitably is a coordinated industrial trade policy.

They indicate that substituting the export bonus with a drawback (in order to eliminate the term "incentive," which is not accepted internationally and condemned as an illegal trade practice, dumping) is useless if it is not accompanied by support for industry to truly initiate the industrial reconversion.

It is clear that we cannot continue in the illusion of "producing everything," and of bad quality. What is needed is to produce that which is truly competitive. But clear policies are needed, in which top priority is to build an adequate infrastructure for exporting, since it is useless to produce, for example, fruit to sell abroad if at the time of launch the exporter is hit with a port strike, a lack of national flag vessels, high freight rates, and bad warehousing and stevedoring services.

In these cases, which are faced by those who risk exporting while producing efficiently, compensation in the form of either bonuses or drawbacks is worthless.

For all these reasons, the sources consulted repeated their pessimism of the trends in nontraditional exports during the rest of the year.

They believe that just as in the first quarter the decreased value of exports was "sharp," this could be repeated in the following quarters and be worse.

The former ICE head's 1991 goal of exporting more than $4 billion has now been practically forgotten. In the best case, and extrapolating from the first quarter of 1991, by the end of the year Venezuela will have exported overseas a total of approximately $2.5 billion, less than in 1990 when $3.342 billion was exported.

According to a source that was consulted, the problem is "macroeconomic," but prior to the macro there is the micro, and there precisely is the heart of the matter.

Thus, after an export mini-boom during 1989 and 1990—when the value of exports was $2.944 billion and $3.342 billion—Venezuela is at the threshold of a retreat, when it was expected that exports would continue to increase, but this is reality. There is still time, perhaps, to correct the situation and not become lost in useless discussions among public organizations and details on mechanisms to promote nontraditional exports.

Guyana

Preliminary Voters List Postponed to Aug

FL2706003291 Bridgetown CANA in English 2046 GMT 26 Jun 91

[Text] Georgetown, Guyana, June 26, CANA—Guyana's preliminary voters list, previously expected on July 1, will not be ready until August, a member of the Elections Commission, Miles Fitzpatrick, has said.

This new development has sparked speculation that elections which were originally expected since last March may not be held before September, and may even result in a further extension of the life of Parliament from August 2, up to September 30. Fitzpatrick said that some of reasons for the delay, such as electrical blackouts, may or may not be genuine.

Ronald "Andy" Jacobs, commissioner of national registration, in a lengthy meeting with the commission on Friday, was unable to answer most of the questions posed to him by the commission members.

President Desmond Hoyte's administration has already sought two two-month extensions of Parliament, a move not supported by opposition political parties here. Under the Constitution, the government can seek extensions of two months or less up to September 30. Fitzpatrick, a prominent attorney, said that he did not believe that Hoyte would seek a third extension.